

The NATIONAL UNDERWRITER



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of safety underlying the insurance industry's
contribution to the affairs of men.*



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THURSDAY, SEPTEMBER 6, 1951

NOTICE TO UNDERWRITERS

IT'S ALL IN A DAY'S WORK :



IN JANUARY WE INSURED BABY-SITTERS IN LOS ANGELES AGAINST LOSING THEIR BABIES



IN MARCH WE INSURED THE SCHOOL-MASTERS AT A SCHOOL IN CHICAGO AGAINST THEIR LIABILITY FOR OVER-WHACKING THEIR PUPILS



IN JUNE WE INSURED THE MEMBERS OF A GOLF CLUB IN CHICAGO AGAINST DAMAGE DONE TO THEIR CADDIES

★ **SO IN SEPTEMBER
IT WOULD BE SIMPLE
FOR US TO PLACE AN
EXCESS LOSS TREATY
FOR YOU!**

STEWART, SMITH & Co., Inc.

116 JOHN STREET NEW YORK 38.

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CHICAGO • MONTREAL • LONDON

Illinois to Crack Down on Licensing of Solicitors

May Refuse 2,000 Renewals for Company Employees, Day Says

Insurance Director Day of Illinois, in addressing the gathering Wednesday of Kankakee Assn. of Insurance Agents, announced that next spring the department will launch an experiment in the direction of simplifying the mechanics of agent license renewal. The department will rely solely upon the requisitions from the companies for renewal of agent license and will not require the agents to make applications as well. This duplicate procedure required properly matching up the agent applications and requisitions during the insurance license renewal season. This brought inevitable confusion and delays.

It will continue to be necessary for brokers to renew their licenses by making application and paying the fee, and the department will continue to notify brokers with postal cards as to the necessity for renewal. Agents will no longer be notified.

Watch Solicitor Licensing

The department is going to refuse to renew an estimated two or three thousand solicitors' licenses for individuals that are employees of an office manager or someone else of an insurance company. The law prohibits a person from being licensed as a solicitor under these circumstances. A solicitor must be a bona fide full-time employee of agent or broker on whose behalf he does the soliciting.

These licensees got the permits, he said, often apparently with the cooperation of their companies so that they could do a little insurance business on the side. When the department began to investigate, it thought at first that these were just isolated situations, but now Mr. Day said the belief is that 2,000 or 3,000 of the total of 5,000 solicitors' licenses are in this category. "We are not going to renew any such licenses," he declared.

Winking at Violations

The department in its investigations often gets the impression that there are violations going on that are so widespread that they are known unofficially to many persons but that it is hard to prove them for purposes of formal action. For instance, the department is investigating payments of commissions to automobile dealers on lines for which they are not licensed. These involve outright sales transactions by dealers, including cases of cash sales of cars and do not involve placement of insurance as part of a package transaction in installment sales. The law, he said, permits cancellation of an agent's license in the event he participates in the payment of any such commissions. This is a severe penalty "and we find inevitably that when we catch up with a case of violation the agent involved has a whole basketful of excuses and feels that all he should get is a slap on the wrist."

In New York the state has jurisdiction to levy fines or to impose suspension in event of violations. In Illinois the department has power only to re-

(CONTINUED ON PAGE 20)

FOR NEXT TIME

Home Adds Up What It Learned from Nov. 25 Storm

NEW YORK—It is difficult today to imagine the situation that confronted the insurance companies on last Nov. 26 as loss men, even though it was Sunday, realized they had on their hands a job of unique proportions. News of the great atmospheric disturbance was still coming in from the six state area which had been battered and mauled unmercifully by high winds, heavy rains, and tidal overflows.

Yet insurance men recognize that what happened then could happen again at almost any time—and it could be worse. Consequently they have seriously considered, particularly loss men, what they could do to surmount such tremendous difficulties if (or rather when) they have to face them again. Those difficulties consisted of more losses than had ever before occurred as the result of one catastrophe—for many companies, three years of losses in one day.

Load on Loss Machinery

When claims began to pour in on Monday morning, Nov. 27, all elements of the business pitched in to do what they could, from the president to the office boy. However, it was, naturally, on the loss men and the loss department machinery that the huge load fell. All companies heavily involved applied ingenuity and improvisation to the enormous task, as well as hard, fast work over long hours.

One of the heaviest writers in the area affected was Home Insurance Co., whose losses eventually reached the astonishing figure of approximately 150,000. Executives and personnel in the home office and surrounding territories began operations Nov. 26, with a view particularly to setting up a program and procedures that would be in some measure adequate to meet the situation. They did not produce a perfected plan overnight, but the main elements in the program were quickly established and within a few days were working smoothly.

While the same general management principles were followed in all offices whose territories were hard hit by the storm, the Jamaica, L. I., office of Home exemplified the program more completely than elsewhere because of the vast number of losses and because there separate quarters were established for the hurricane job. The success of the operation is indicated by the fact that that special office processed as high as 2100 in one day, averaged 500 losses a day for a period of time, and finished up 17,962 altogether. The regular office there normally handles 25 losses per day.

Three Important Principles

The program proved highly successful. Its chief points were decentralization—the processing of losses in an area through the office normally servicing that area; immediate separation of regular loss handling from hurricane loss processing, and breaking down hurricane loss handling procedure into its component parts so that the process could be substantially speeded up without sacrifice of work quality.

Many things had to be done at once. The company had to have adjusters, a lot of extra employees, space, phones, and supplies. The problem divided itself into three major parts: personnel; housekeeping, such as separate quarters, phones, etc.; and procedure, the segregating of work items for efficient, rapid handling.

Adjusters and field men who could handle losses or some part of the loss procedure were pulled in from all over

the country except the Pacific coast. There were 21 local, experienced men and 24 from out of the Jamaica territory. The Jamaica office normally is staffed by three adjusters.

Transportation for adjusters had to be arranged. The company secured extra cars from Connecticut. In New York and immediately surrounding territory everyone was after extra cars. Adjusters needed living facilities. Home made arrangements at one hotel to house practically all adjusters brought in from the outside, one reasonably accessible to the office. They could thus talk over problems and procedures as they went along, educating each other, and they were happier living under the same roof where they had friends and associates.

Adjusters familiar with the area early after Nov. 26 divided it into small units and provided individual maps of each. The territories were reduced as much as possible so that an adjuster coming from the outside could be kept in a tight geographical district and would not get lost. This made for efficiency and more work done.

Many Questions Arose

For the most part, the regular adjusters in the Jamaica district worked on the inside where they could perform supervisory duties and answer questions of those unfamiliar with the area. There might be some difference in form. Were yard fixtures covered under the policy? A man from the midwest might not be sure. What was a fair price for items in the Jamaica area? An adjuster from Colorado, for example, had a figure in mind for a fence that was lower than had to be paid in Jamaica for the same thing. The office worked up a list of local prices on every article that they could think of. Each adjuster was equipped with a set of guiding principles, as to payment between inland marine and fire, etc. Some farm adjusters were working in the Jamaica area, which is urban. They were unfamiliar with elaborate and costly dwellings. Coinsurance on dwellings is a peculiarity of the district. Adjusters were calling in all day long to ask such questions.

Perhaps an adjuster from Virginia used to paying \$300 on a sign was simply flabbergasted when a Jamaica contractor wanted \$900 to replace a sign for a merchant there. The experienced adjusters working on the inside were answering this type of question. One adjuster who knew the area worked with a map in front of him, checking by type of district to see if the loss was out of line as to amount. Another adjuster checked names of firms furnishing estimates. He was familiar with contractors and supply firms and could tell at a glance which ones were questionable.

Competition in Hard Work

The office set up a chart of assignments for adjusters and opposite the adjuster's name the number of proofs each brought in. An adjuster might be assigned 11 losses for the day. If he reported in at night with only three proofs while other adjusters had done much better, he was apt to do a lot better himself the next day. The result was real competition among the adjusters to get the work out.

Among the extra employees put on were those familiar with the offices that had produced the business. For example, property involved in the hurricane was all on Long Island, but the insurance had been written from the 42nd street office of Home, or from the Maiden Lane

Labor Unions Buy Stock Control of Ins. Co. of Texas

Ben Jack Cage Continues as President—Fire Rates to Be Reduced 15%

DALLAS—Acquisition of controlling stock of Insurance Co. of Texas by local unions and individual members of the Texas State Federation of Labor (A. F. of L.) was assured over the Labor Day week-end when subscriptions in hand exceeded 51% of the outstanding stock, according to William J. Harris of Dallas, federation president.

The action climaxed a stock selling campaign under an agreement of labor leaders with Ben Jack Cage & Associates, owners of the multiple line carrier, who worked out a proposal by which organized labor would be given an option to purchase up to two-thirds of the company's stock. The exact amount of stock subscribed was not announced, but it is known to be well over the \$200,000 mark.

Labor Men Already in Control

Under terms of the agreement, the company will be managed by Mr. Cage and his associates. It will operate on a direct writing basis, maintaining its present home office at Dallas and a branch office in the Jack Cage & Co. agency at Houston, with other branches to be established later.

As soon as possible the company will file a reduced rate of 15% on fire insurance under that charged by standard companies. On other types of insurance, in accordance with state laws, reductions are to be in the form of dividends or profit-sharing at the end of the policy year.

When it became apparent in August that the stock purchase plan would be successful, directors of the old company voted themselves into the minority by temporarily electing 17 labor men and women to the 25-member board. Technically, therefore, labor already has control of the company on a policy-making level, with Mr. Cage and his associates being the other eight directors as holders of one-third of the stock. The 17 labor directors are officers of the Texas federation, including Mr. Harris and the 12 vice presidents.

Experienced Men in Charge

Mr. Cage, under terms of the management contract, will continue as president, and John G. Vaughan, who has been with Mr. Cage since 1947 as executive vice-president, secretary and treasurer, will remain with the management firm. Other experienced insurance men on the staff are Marshall Bivins, assistant secretary-treasurer; William Barker, underwriting superintendent; and Stanley Prichard, claims superintendent.

The stock was sold at \$20 a share, with local unions being limited to \$10,000 and individual members to \$1,000 in holdings. The net worth of the shares is said to be \$27.

office, or somewhere else. Employees from these production offices were assigned to the Jamaica storm loss force, along with engineers, special agents and others who regularly dealt with

(CONTINUED ON PAGE 21)

Minn. Agents Elect Karl B. Klein as New President

Name Clark Executive Committee Chairman at St. Paul Convention

ST. PAUL—Karl B. Klein, St. Paul, was elected president of Minnesota Assn. of Insurance Agents at the annual meeting here. He succeeds Al Johnson, Springfield, who automatically goes on the executive committee.

Donald B. Clark, Winona, was named chairman of the executive committee and Leroy D. Engberg, St. Paul, was re-elected national director. Harold E. Krog, Stillwater, was named a new member of the executive committee.

Officers were installed at the banquet by James F. Van Vechten, Akron, O., vice-president of the National association, who also addressed the opening session on the work of the national group.

In a brief address at the banquet, Commissioner A. Herbert Nelson, making his first appearance before the state organization, said that improvement in the agents' qualification system is one

of the most pressing problems confronting the department. This, he said, is actually a problem of the agents and the companies "but I am glad to be of help because I know that effort along this line is in the public interest."

Mr. Nelson said the licensing division is now at work revising examination questions and adding to their number. "More questions, and somewhat more difficult ones will require a broader basic knowledge of insurance, he said. He added that the response to letters sent a week ago to all company presidents was good, with no critical replies, and he expects unanimous support of the companies in his move to improve the qualification situation. He also reminded the agents of the "growing movement for modernization of the Minnesota standard fire policy."

At the business session Mr. Engberg gave a detailed report on major questions now before the National association with particular attention to the action of various states on state disability insurance plans.

The new farm fire and extended coverage was given a thorough going-over at the "early birds" breakfast for farm and small town agents. It took the form of a panel discussion, the members of which were A. R. Johnson, Hartford Fire, Chicago; J. E. Cryan, America Fore, Chicago; E. F. Biehighauser, St. Paul F. & M., and Colby Hewitt, Dorset.

"The high prices the farmer is now getting provide the best farm market the insurance business ever has had," Mr. Johnson said. "This farm wealth is an important source of business. But because of the increased value of farm buildings and equipment many farmers

are undersold on insurance. The farmer needs the insurance but won't buy it unless the agent goes after it. This business must be written on the farm; it can't be sold over the counter. The companies have provided the coverages; it is up to the agent to sell them."

C. W. Berkner, chairman of the farm and small town agents' committee, presided at the panel which was arranged by K. S. Ogilvie, secretary of Farm Underwriters Assn. and assistant manager of Western Underwriters Assn.

City Agents Have Panel

In a separate session metropolitan area agents of St. Paul, Minneapolis and Duluth aired problems peculiar to their business. The meeting was sponsored by E. J. Bachman, president of the St. Paul association.

Joseph F. Leopold, National Tax Equality Assn., Dallas, talked on "Mutuals vs. Stock Company Insurance Tax Problems."

Following a luncheon at which St. Paul-Mercury Indemnity was host, the Minnesota C.P.C.U. chapter put on a skit built around a professional insurance survey. Participants were William E. Bandrow, Minneapolis; Elinor Krapu, John Pfaender and T. J. Arneson, St. Paul, and Joseph R. Brink and William Peet, Minneapolis. B. G. Brissman, Fireman's Fund, summarized the skit and a question period followed.

In resolutions adopted the association went on record as definitely opposing state disability insurance plans, and as favoring raising the assigned risk limits to 25/50/5; that all local agents and boards actively promote high school driver training courses in their own towns; the continuation of education

courses in insurance in local school centers and at the University of Minnesota, and stricter agents' license requirements.

Also approved was a proposal for appointment of an advisory committee of five full-time agents to study the constitution and by-laws of the association, present membership plans and study dues and fees and the effectiveness of association operations in all departments.

Herbert Thrall New S. D. President

South Dakota Assn. of Insurance Agents at the annual meeting last week at Huron elected Herbert Thrall of Huron as president and Jerry Ahern, Sioux Falls, vice-president. A. A. Fahy, Aberdeen, was re-elected secretary-treasurer. Named to the executive board were J. E. Carey, Aberdeen; R. O. Wangness, Garretson; Glen Heaton, Watertown; E. W. Gehring, Howard, and Ben Stone, Jr., Rapid City.

The first session was confined to the opening formalities, and at the luncheon a talk was given by Charles A. Dawson, general agent of Fargo and a member of the National association executive committee. In the afternoon George M. Desmond, assistant manager of U.S.F.&G. at St. Paul, talked on dishonesty insurance. At the first business session retiring President J. E. Carey gave his report.

Lead-off speaker the second day was Austin T. Flett, Chicago broker, whose subject was "Meeting Mutual Competition." At the luncheon a short talk was given by Commissioner Donald Mitchell.

The afternoon session consisted of a panel discussion on "What's New in the Insurance Business" with Martin E. Cogley of the Regan general agency of Sioux Falls as moderator. Taking part were N. P. Wenge, manager of St. Paul F. & M. at Aberdeen; John T. Even, assistant manager in the western department of Fireman's Fund group, and C. H. Metzner, assistant manager of Western Underwriters Assn.

The new officers were installed at the banquet at which the principal address was given by Governor Anderson of South Dakota.

A.I.U. Raises Winebrenner to Los Angeles Manager

Walter E. Winebrenner has been named manager at Los Angeles for American International Underwriters. He has been assistant manager at Los Angeles for a year and a half under L. H. Collier, vice-president at San Francisco.

Mr. Winebrenner joined A.I.U. at Shanghai, China, in 1940 and later served in Germany, New York City and San Francisco. He was captured by the Japanese while with the Shanghai office and was in prison for two years. During the latter part of the war he served as a Japanese language specialist in naval intelligence.



W. E. Winebrenner

Godsall to Local Agency

Elwood Godsall, for the past four years manager of the fire loss department of St. Paul F. & M. at San Francisco, has resigned to join the local agency of Cornish & Carey at Palo Alto.

Seattle C.P.C.U. Classes

Classes covering C.P.C.U. part I will begin this month at the adult education center of University of Washington extension division at Seattle. The course will run for 35 weeks.

A TRICKLE WON'T TAKE THE PLACE OF A GUSHER...

...but maybe Jones is expecting too much of his Fire Insurance when he expects REAL MONEY after a disaster such as this:

"On December 16th my department store was reduced to ashes and rubble, with a stock loss of \$210,000. If I had a limit of \$250,000 under a reporting form policy, and correctly reported \$83,650 as of November 30th, I would collect the total loss of \$210,000. Isn't that right?"

You decide whether Jones gets \$210,000 or \$83,650.

You can and do decide such "business as usual" or "out of business" questions for your clients every time you write a Fire Insurance policy. And everyone agrees with you that protecting today's larger fluctuating stock inventories with their skyrocketing values is no easy job. If you want to avoid \$126,350 mistakes...and they aren't unusual...just ask the Advertising Department for your copy of the "General Cover True or False."

100th ANNIVERSARY IN THE UNITED STATES—ROYAL INSURANCE COMPANY, LIMITED

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Roster of N.A.I.A. Headquarters

As a service to those attending the annual convention of National Assn. of Insurance Agents at Chicago Sept. 10-13, THE NATIONAL UNDERWRITER is listing the company headquarters and the personnel in charge. For convenience, space has been left for the room number to be written in for each company. The headquarters roster includes every company registered with N.A.I.A. as planning to maintain a headquarters. The companies are listed alphabetically.

AETNA FIRE — From the western department at Chicago: H. M. Mount, vice-president; R. H. Learn, secretary; R. W. Carter, assistant manager; C. D. Sokol, assistant manager; J. George Peterson, assistant manager; E. B. Craven, assistant manager; F. B. Wrecks, assistant manager; L. H. Stoehr, general agent, and F. M. Jackson, general agent. H. B. Kiefer, manager Century Indemnity. From the home office at Hartford: Gordon Kyle, vice-president, and Baxter Gentry, secretary.
Suite
Number

AETNA LIFE GROUP — Aetna Casualty: C. G. Hallowell, vice-president, Hartford, and E. C. Knapp, secretary, Hartford.

Automobile and Standard Fire (home office): H. D. Van Gils, marine department secretary; R. W. Criswell, assistant fire department secretary, and William G. Wheeland, fire department agency superintendent.

Aetna Life: R. E. Brown, Jr., assistant manager, advertising and publicity department, and James F. Goyette, assistant superintendent public education department.

Chicago office: Donald K. Weiser, casualty manager; George J. Olson, western brokerage and fire service department manager; P. J. Moran, western marine department manager, and J. W. Barry, assistant western marine department manager.
Suite
Number1005

AGRICULTURAL — From the home office: G. G. Inglehart, vice-president; G. C. Peacock, secretary, and W. L. Lewis, secretary. Cleveland: W. C. Rardin. Indianapolis: L. E. Tanner. Chicago: P. B. Olinger.
Suite
Number

AMERICAN AUTOMOBILE — From the St. Louis office: C. S. Cotsworth, assistant vice-president, and Chapman Jones, agency superintendent. Milwaukee: C. M. Latta, resident vice-president. Indianapolis: William F. Koch, resident vice-president. Chicago: P. S. Chaloner, resident vice-president.
Suite
Number

AMERICAN INSURANCE GROUP — From the western department, Rockford, Ill.: J. G. McFarland, manager; W. G. Soderstrom, assistant manager; Fred Sabin, assistant manager; Kenneth C. Nelson, assistant manager; I. G. Cox, field supervisor, and Frank A. Nelson, field supervisor. From the home office at Newark: B. C. Vitt, president.
Suite
Number

AMERICAN REINSURANCE — From the New York office: Lester A. Menegay, vice-president; H. F. Witzel, vice-president, and Charles H. Kahrs, American Reserve.
Suite
Number

AMERICAN SURETY — From the home office in New York: George F. Ainslie, Jr., vice-president; C. W. McNeil, sales promotion manager, and A. H. Edwards, sales promotion manager. From the Chicago office: J. H. Maehle,

resident vice-president; R. H. Tillotson, Chicago manager, and H. T. Helton, assistant Chicago manager.
Suite
Number

APPLETON & COX — From the home office at New York: Douglas F. Cox, Jr., president; John Addy, superintendent of agencies, and Robert Degener, inland marine underwriter. Chicago: Harold M. Angell, resident vice-president. Detroit: Henry Bornkamp, manager. Cleveland: Fred M. Kafer, manager.
Suite
Number

CHUBB & SON — From the New York office: Thomas R. Dew, John Rogers, Jr., James M. Kelly, Jr., and J. L. Harbeck. Pittsburgh office: Charles A. Lane. Chicago office: Her-

the New York office: R. R. Wilde, H. J. Thomsen, J. A. Corroon, J. M. Owen, Fred Lofink and S. F. O'Connor, Jr. Kansas City: J. C. Swisher, manager. Chicago: P. W. Freilich, manager.
Suite
Number2100

CRUM & FORSTER — From the home office at New York: Harold Junker, president, and A. L. Ross, executive vice-president. Pittsburgh: William C. Fiand, assistant manager. Atlanta: H. F. Hines, joint manager, and Albert Sears, assistant manager. Durham, N. C.: J. Fuller Glass, manager Virginia-Carolinas department. Denver: H. B. Maltby, manager. Chicago: A. J. Smith, manager. Cleveland: A. J. Danziger, metropolitan manager. Detroit: C. C. Luppenlatz, Wayne county manager. Freeport: William A. Seely, western department manager; C. G. Thro and

for a complete dinner set of Syracuse china.
Suite
Number

FIDELITY & DEPOSIT — From the home office: Ashby C. Taylor, 2nd vice-president; Herbert L. Dunn, vice-president, executive department, and Donald L. Buckler, vice-president and manager agency department. St. Louis: Fred H. Doenges, vice-president. San Francisco: Carl H. Kuhn, resident vice-president. Indianapolis: Ben R. Turner, Jr., manager. Omaha: William H. Bock, resident vice-president. On hand from the Chicago office will be: William H. Hansmann, vice-president; Julian S. Neal, manager, and William A. Bowersox, associate manager.
Suite
Number2320

FIRE ASSOCIATION — From the home office: L. M. Michel, vice-president; George Whitford, secretary; Watson Caudill, vice-president (casualty), and Harry Miller, assistant secretary. Chicago: M. LePitre, manager, and W. G. McKnight, assistant manager.
Suite
Number

FIREMAN'S FUND GROUP — E. D. Lawson, vice-president western department; A. O. Andersen, T. J. Even, Charles Martell, and B. A. Sifford, assistant managers; F. G. Gedelman, C. N. Mullican, Jr., A. H. Jens, C. R. Ford and J. W. Gates, agency superintendents, Chicago. James W. Bethel, state agent for Kentucky, and Roy P. Jensen, Detroit and Wayne county manager.
Suite
Number805-806

GENERAL ACCIDENT — From the home office: J. S. Kaufman, deputy general manager; C. L. Bready, assistant general manager, and George C. Bland, assistant agency superintendent. Chicago: J. S. Warren, manager mid-west department and J. E. Keane, manager fire department.
Suite
Number

GREAT AMERICAN — From the Chicago western department: W. E. Newcomb, vice-president; E. R. Sanborn, secretary; R. D. Billings, secretary, W. A. Harvey, assistant secretary; R. W. Sherburne, executive agency superintendent, and O. B. Worcester, special agent.
Suite
Number

HANOVER FIRE — From the western department at Chicago: Paul H. Barr, vice-president; Alfred M. Wagner, secretary; Bert H. Aust, secretary, and James P. Jana, secretary.
Suite
Number

HARTFORD ACCIDENT and HARTFORD FIRE — Charles H. Smith, vice-president and manager western department, Hartford Fire, Chicago; George H. Moloney, vice-president, Hartford Accident, Chicago; Frank C. McVicar, vice-president, Hartford Accident, Hartford; W. S. Vanderbilt, assistant vice-president, Hartford Fire, Hartford, and James F. Keating, secretary, Hartford Accident, Hartford.
Suite
Number

LONDON ASSURANCE — From the New York office: Kenneth J. Bidwell, assistant U. S. manager, and Fred C. Saal, agency manager. Chicago: Karl Weipert, manager; Vincent J. Mooney, Illinois state agent, and Bernard M. Dunne, Illinois special agent.
Suite
Number

LONDON & LANCASHIRE — Charles E. Dox, western department

To the National Association of Insurance Agents:

CONGRATULATIONS

On the occasion of your 55th Annual Convention, being held in Chicago, this institution wishes to congratulate your organization on its achievements of the past 12 months.

We of Continental can appreciate the full meaning of your accomplishments. We are familiar with your problems. Continental is an "agency" company and actively supports the American agency system, firmly believing that the insurance customer can be best served by a local insurance man.

Continental and its associated companies offer facilities for serving any or all insurance and bonding requirements.

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CONTINENTAL CASUALTY COMPANY

*Continental Companies Building:
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The Continental Casualty Company and its associates, Continental Assurance Company and Transportation Insurance Company, write insurance and bonds for practically every purpose.

bert W. Klages, Hamilton W. McComb, and W. L. Hallenbeck.
Suite
Number

CONNECTICUT ASSN. OF INSURANCE AGENTS — Philip Bliss, president; V. Chandler Moffat, vice-president, and William W. Hatfield, state national director.
Suite
Number

CONTINENTAL CASUALTY — Roy Tuchbreiter, president; A. E. Spottke, George Smith, vice-presidents; Robert W. Harvey, assistant superintendent of agents; Stuart Smith, executive special agent, and Henry Lustgarten, Chicago resident vice-president.
Suite
Number

CORROON & REYNOLDS — From

R. H. Gregg, assistant managers; R. M. Wilcox, agency superintendent, and E. B. Kaufman, automobile department superintendent.
Suite
Number706-A

EMPLOYERS' GROUP — Thomas A. White, assistant counsel, Boston. From Chicago, William A. Eakin, western department manager; Wendell A. Simonson, assistant western department manager, and Robert E. Donohoe, agency supervisor.
Suite
Number

EXCELSIOR — From the home office: Forrest H. Witmeyer, president; John E. Greenwood, chairman and executive vice-president, and Alfred C. Sinn, director and chairman planning committee. Stubs will be given to everyone registering at the convention for a drawing

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manager, Chicago; C. E. Stiehl, assistant manager; Carl R. Nelson, agency superintendent; J. M. Fraser, vice-president London & Lancashire Indemnity, Hartford, and H. C. Willard, London & Lancashire Indemnity Chicago manager.

Suite
Number

MARYLAND CASUALTY—From the home office at Baltimore: Harry C. Michael, vice-president and agency director; C. H. Peterson, assistant vice-president and assistant agency director; John H. Kerr, assistant agency director, and F. John Barclay, vice-president in charge of the fire division. Chicago office: John P. Keevers, resident vice-president. Des Moines office: William A. Browne, resident manager.

Suite
Number

WILLIAM H. MCGEE & CO.—From New York: Charles Brockmiller, vice-president, and Wayne H. Holmes, assistant secretary. San Francisco: James G. Cage, resident vice-president. Chicago: P. J. Leen, manager.

Suite
Number

MESEROLE GROUP—A. E. Heacock, president; R. S. Oellers, vice-president; F. J. Pocquette, secretary; Joseph Toussaint, Cook county state agent; J. L. Flavin, Illinois state agent; H. W. Bailey, Wisconsin state agent; L. B. Miller, Michigan state agent; John Beddingfield, southern Ohio and Kentucky state agent; R. W. Moon, northern Ohio state agent; A. J. Landgraf, Indiana state agent; J. F. Luehs, New Jersey state agent; Walter Myers, Jr., Texas and Oklahoma general agent; W. W. Barrett, Kansas general agent; A. L. Williams, Tennessee general agent; Gordon Jones, Minnesota general agent, and W. G. Williamson, Arkansas general agent.

Suite
Number1400

MILLERS NATIONAL—J. G. Thumley, vice-president; C. F. Foster, assistant vice-president, and J. W. Nickerson, assistant secretary.

Suite
Number

NATIONAL FIRE GROUP—From the home office at Hartford: O. A. Ogden, vice-president, and R. E. Farrer, secretary. Chicago western department contingent: E. H. Forkel, vice-president; L. N. Bowen and C. L. Zook, assistant managers. United National Indemnity: F. F. Leali, Chicago resident manager, along with Messrs. J. L. Robertson and D. J. Cronkhite, assistant Chicago resident managers.

Suite
Number1900

NATIONAL SURETY—President and Mrs. Ellis Carson; Mr. and Mrs. Sherman G. Drake, vice-president and agency director; Mr. and Mrs. E. A. Luther, vice-president in charge of western department, Chicago; Mr. and Mrs. N. J. L. Pieper, vice-president in charge of claims; Charles O. Hoehn, assistant agency manager; Jack Thorne, manager Chicago service office; James Roth, assistant manager Chicago service office.

First half of convention: N. P. Gardner, Jr., surety manager; J. F. Hirschmann, inland marine and burglary manager, Chicago.

Second half: C. S. Cooper, fidelity manager; A. L. Kitchener, casualty manager, Chicago.

Suite
Number2306

NEW AMSTERDAM CASUALTY—From the home office at Baltimore: A. Reid Johnson, assistant secretary and superintendent agency department, and Martin W. Ellingsworth, assistant secretary and superintendent compensation and liability department. Chicago: H. N. Douglass, manager. Milwaukee: Leonard A. Buck, manager.

Suite
Number

NEW MEXICO ASSN. OF INSURANCE AGENTS—Paul Sackett, state national director, and Neil S. Durham, secretary-treasurer.

Suite
Number

NEW YORK UNDERWRITERS—From the home office: George W. Owens, secretary, and C. H. Avery, assistant secretary. Chicago: Charles R. Watkins, executive special agent, and Dryden Small, western special agent.

Suite
Number

NORTH AMERICA—From the head office—Calvin S. Roberts, vice-president; C. F. Littlepage, assistant vice-president; A. W. Barthelme and Arthur Moyer, assistant secretaries; Russell Petefish, fire secretary; R. E. Miller, superintendent of agencies of Indemnity of North America; Donald Colyer, manager bond department; from Chicago service office—V. L. Montgomery, fire; R. A. Mitchell, marine, and S. H. McGoun, casualty, the managers, and Myron Davenport and E. G. Evenden, assistant managers.

Suite
Number

NORTH BRITISH—From the New York office: John L. Magenheimer, assistant U. S. manager; William J. Traynor, assistant secretary; C. L. Day, H. V. Tisdale, A. E. Lehman, and H. W. Casler, secretaries. San Francisco office: Samuel T. Shotwell, vice-president and manager Pacific department. Chicago contingent: S. R. Howard, secretary, Illinois department; F. B. Ingledew, assistant secretary, and the following field men: E. F. Conour, state agent, Springfield; John Mitchell, special agent, Chicago; Earl H. Hazen, special agent, Chicago; John J. Flood, state agent, Chicago; E. H. Miller, state agent, Chicago.

Suite
Number

NORTHERN OF NEW YORK—From the home office: Charles H. Conklin, president; H. Richard Scherme, vice-president; Fred J. Theen, vice-president, and Arthur Vreeland, Jr., assistant vice-president.

Suite
Number

NORWICH UNION—From the home office: John M. Kidd, deputy U. S. manager, and James A. Neilan, agency superintendent. Frank H. Terry, state agent, Petersburg, Va., will also attend.

Suite
Number

OCEAN ACCIDENT—From New York: L. S. Jones, U. S. manager and president Columbia Casualty; Bruce R. Snyder, assistant secretary, and D. W. Murphy, agency department manager. Chicago: Charles C. Rauschenbach, resident manager, and F. J. Grennan, assistant manager. Indianapolis: F. S. Napp, resident manager. St. Louis: Fred W. Neuner, resident manager.

Suite
Number

PACIFIC NATIONAL FIRE—Chicago western department: W. H. Vernier, vice-president, and Lawrence L. Solmer, assistant manager. Out-of-town representatives from their various departments will be on hand.

Suite
Number

ROYAL EXCHANGE—Henry C. Pitot, U. S. manager; Charles M. Smith, assistant manager; Freeman C. Read, Chicago manager; James M. O'Connor, assistant Chicago manager.

Suite
Number

ROYAL-LIVERPOOL GROUP—From the New York office: E. R. Voorhis, assistant U. S. manager; V. T. Bartlett, agency secretary; J. D. Keiller, regional manager; H. D. Meyer, agency secretary, and M. W. Slawson, agency secretary. Pacific Coast department: R. E. Alderman, Chicago office; G. C.

Peterson, regional manager; E. I. Fiery, casualty manager; W. S. Ellis, fire manager; F. G. Grothe, casualty underwriting superintendent, and John Murphy, boiler and machinery underwriting superintendent. Western department: H. F. Gregg, regional manager.

Suite
Number2000

SEABOARD SURETY—From the New York office: G. B. Slattengren, 1st vice-president and Frank E. Schiele, agency superintendent. From the Chicago office: John F. Schmidt, resident vice-president and Roy J. Hyde, Chicago manager.

Suite
Number

SPRINGFIELD F. & M. GROUP—From the home office: Charles E. Freeman, secretary. Western department: John C. Harding, executive vice-president; Magnus E. Peterson, resident vice-president, and Roy E. Wessendorf, secretary.

Those signing the visitors' register receive chance to win a valuable hand-painted copy of the original "Covered Wagon," trade-mark of the Springfield group.

Suite
Number

STANDARD ACCIDENT—From the home office at Detroit: Harold White, vice-president; Merle Thompson and Theodore Sedwick, executive secretaries. Chicago: J. S. Richardson, resident vice-president.

Suite
Number

SUN—Chicago western department: C. W. Ohlsen, manager; Raymond W. Baruth, assistant manager; Howard S. Chessman, agency superintendent, Lester C. Petterson, Illinois state agent, and Harry A. Olsen, Cook county special agent. Henry C. Pfenninger, Kentucky state agent.

Suite
Number

TRAVELERS—From the home office at Hartford: John V. Angus, superintendent casualty department and T. E. Nation, superintendent fire and marine department. Chicago office: B. W. Rouse, casualty manager; A. G. Dodd, assistant casualty manager; A. B. Smillie, fire and marine manager; J. A. Bechtold, assistant fire and marine manager, and L. W. Phelps, superintendent of the marine department.

Suite
Number

U. S. AVIATION UNDERWRITERS—From Chicago: James R. Graham, resident vice-president, and M. G. Hocker, assistant manager. Kansas City: H. E. Somerville, Kansas City manager. Atlanta, Ga.: Caspar S. Whitner, Jr., resident vice-president. New York: Herbert Talbot, agency superintendent.

Suite
Number

U. S. F. & G.—From the home office: L. Brent Wood, associate agency director, and J. Dillard Hall, associate agency director.

F. & G.—From the home office: C. B. Gamble, vice president, and Earl Shaw, secretary. Chicago: W. J. Jeffery, manager.

Suite
Number

VIRGINIA ASSN. OF INSURANCE AGENTS—Walter G. Stephenson, president; Thom W. Henderson, vice-president; William H. Branch, secretary-treasurer; Warren F. Curtis, state national director, and William N. Day, manager.

Suite
Number

WISCONSIN ASSN. OF INSURANCE AGENTS—George A. Timm, president; Don R. Morrissey, vice-president; Don Gottschalk, secretary-

treasurer; John H. Carney, state national director, and J. L. Ashton, chairman board of directors. Urban A. Krier, executive secretary.

Wisconsin cheese and Wisconsin beer will be served.

Suite
Number

YORKSHIRE—From the home office: A. O. Robinson, U. S. manager, and Charles A. Vooris, secretary. Chicago: S. W. Skiple, Chicago manager, and C. A. Winkler, associate manager.

Suite
Number

ZURICH—From Chicago: Robert D. Hodson, assistant U. S. manager, and E. J. Savage, director agency relations. Field assistants: Joseph M. Ulrey, John J. Geary, and Jack T. Willett.

Suite
Number

Walter D. Davis Is Commissioner-Elect for Mississippi

Walter Dell Davis is the insurance commissioner-elect of Mississippi. He was victor in the Democratic run-off primary with better than 207,000 votes to 150,000 for his opponent, Isham Beard, who is a retired field man for Aetna Fire. Mr. Davis is 44 years of age and is a close friend of Jesse White, the incumbent insurance commissioner who declined to run for reelection. Mr. Davis takes office Jan. 26.

Mr. Davis graduated at University of Mississippi and its law school. He served in the lower house of the legislature from 1936 to 1940. He has been engaged in the private practice of law at Jackson and was chairman of the Mississippi workmen's compensation commission from its establishment in 1948 until he resigned just recently.

Four citizens of Tupelo, Miss., sent a telegram to Commissioner Jesse White during the course of the primary campaign, charging that at least four employees of the state insurance department were campaigning in the state in behalf of Mr. Davis. This, the petitioners declared, was unfair to Isham Beard, the other candidate, "and is unwarranted in a sovereign state." The petition was signed by James A. Finley, C. B. Hutchison, J. R. Pegues and S. V. Kyle.

Agenda for Pa. Agents' Annual Is Completed

The agenda for the annual convention of Pennsylvania Assn. of Insurance Agents, scheduled for Oct. 7-9 at Wernersville, has been completed.

Following registration Sunday there will be a golf tournament and a directors' meeting that evening. The convention proper starts Monday and features a casualty round table discussion, and golf tournament in the afternoon. There will be a dinner and movie that evening. The final day includes a fire round table conference, another golf tournament and the banquet.

Speakers include Harold G. Evans, president of American Casualty; H. Reed Mulliken, superintendent of Middle Department Assn. of Fire Underwriters; J. F. Van Vechten, Akron, O., vice-president of the National association; Frederick W. Doremus, manager-secretary of Eastern Underwriters Assn.; R. H. Wherry, head of the insurance division of Pennsylvania State College; George H. Hafer, Harrisburg insurance attorney; Wilbur H. Hamilton, Philadelphia agent and member of the Pennsylvania legislature, and Commissioner Leslie. Carl C. Gingrich, special agent for U. S. F. & G., will conduct the casualty round table, and Edmund J. Renkey, state agent for National Union Fire, will be in charge of the fire round table.

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LET PEOPLE YOU TRUST PROTECT WHAT YOU HAVE

It is human for people to place the things they treasure most in hands they trust. The insurance people are usually people who are trusted to protect.

To our clients we trust our health and well-being, our very length of life. To our neighbors we trust the minds and hearts of our young. To our shops we trust our tools, our bags and coats.

Hand that hold our treasures must be steady. Thus must be careful and conscientious. This must be expert and talented - confident.

...and, in the highest meaning of the word, they must be professional people.

The difference between a professional and an amateur is subtle but strong. An amateur does as he likes. A professional does as he must. He is trained to do things that are not done by amateurs. He is trained to do things that are not done by amateurs.

A professional does more than merely and honestly, conscientiously and honestly, professionally and a real life protection.

He must be dependable and conscientious. This does not mean one can tell and trust.

Your insurance Agent must be with a man. He must be able to offer you - not only a policy printed on paper - but a plan and action for the protection of those things you value most.

That plan must be shaped to your own special needs and problems. Your Agent must be qualified to offer you expert knowledge, experience and insurance companies control.

In doing your insurance, select a person of whom you are confident and who is an Agent of the North American Companies.

PROTECT WHAT YOU HAVE



INSURANCE COMPANY OF
NORTH AMERICA
COMPANIES, Philadelphia

INCORPORATED IN PENNSYLVANIA
MEMBER COMPANY OF NORTH AMERICA
PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY



UP

your advertising...coming

North America's new series of national magazine advertisements points to you as a business man who assumes public responsibility, the same as a doctor, architect, teacher or lawyer.

Nearly 30 million readers will see these advertising messages in your behalf in *The Saturday Evening Post*, *Collier's*, *Look* and *Better Homes and Gardens* between now and the end of 1951.

These ads will be working overtime to remind insurance buyers that they can trust you to protect what they have.

Will you work overtime to cash in on the opportunities that they open up?

Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" Companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance; Fidelity and Surety Bonds. Sold only through Agents or Brokers.

PROTECT WHAT YOU HAVE®



INSURANCE COMPANY OF
NORTH AMERICA
COMPANIES, 1600 ARCH STREET
Philadelphia 1, Pa.

Insurance Company of North America • Indemnity Insurance Company of North America • Philadelphia Fire and Marine Insurance Company

French Insurance Group Has Big Week at Chicago

The French insurance productivity group, consisting of 17 French insurance executives visiting the U. S. under the auspices of economic cooperation administration, are concluding a week's visit to Chicago after having been at New York and Hartford. They are leaving Saturday for Montreal and after a few days there they will go to Washington and they are flying back to France from New York Sept. 21. They have been in this country since Aug. 13.

Last Thursday just before leaving New York they were guests of Home and their visit included a trip through the Harold V. Smith museum there.

On Tuesday of this week they were guests throughout the day of Continental Assurance at Chicago. A program of talks was put on for their benefit in the morning and afternoon and at noon there was a delightful buffet served on the 30th floor observatory quarters of the Continental Companies building. A number of the Chicago newspaper men were guests. On Thursday the entire

group is attending the luncheon of the American Society of C.P.C.U. which is holding its three-day annual meeting at Chicago. This is the luncheon that will feature an address by John A. North, president of Phoenix of Hartford. Also they will have a tour of Underwriters Laboratories.

On Wednesday the group was guests of Lumbermen's Mutual Casualty at an all-day program of talks and luncheon.

On Friday at Chicago they will return to the Continental Companies for a program accenting the casualty side with a special emphasis on accident and health.

Although life insurance has been stressed especially during the visit, many of these men seem to be primarily interested in the property insurance coverages and especially in matters of reinsurance. Some of them are executives of French companies that operate in the United States for reinsurance either as a U. S. branch or as a U. S. corporate entity. And while in the east they, of course, had an opportunity to fraternize with their U. S. connections.

Most of these men can get along fairly well with the English language in person-to-person conversation but there is a trio of interpreters that goes along to handle formal speeches, etc.

At New York last Thursday, after a visit to the Harold V. Smith Museum,



The 17 French insurance company officials visiting the United States to study American insurance operations are shown visiting the National Board. At the head of the table is Lewis A. Vincent, general manager, who is explaining U. S. fire companies' public services. The French officials are listening to simultaneous translation of his remarks.

the group was taken to the National Board building. They were given de-

scriptions of the National Board's services by Lewis A. Vincent, general manager; Harold A. Coumbe, assistant general manager; John A. Neale, chief engineer, and George G. Traver, public relations manager.

The visitors were guests at a luncheon sponsored by National Board and Assn. of Casualty & Surety Companies, presided over by John R. Cooney of Firemen's, president of National Board. They were greeted in French by Nathan H. Wentworth, field superintendent of American Foreign Insurance Assn., and E. A. G. Manton, president of American International Underwriters Assn.

The afternoon was spent at Assn. of Casualty & Surety Companies, whose activities were outlined by J. Dewey Dorsett, general manager.

William E. McKell, American Surety, past president of the association, and J. Victor Herd, America Fore, of the association's executive committee, discussed the work of the association from the viewpoint of its member companies. Ray Murphy, general counsel; Julien Harvey, manager of the accident prevention bureau; Ralph McCallum, of the claims department; and Frank Lang, manager of the research department, described the work of their respective divisions.

E. Vernon Roth, secretary of Surety Assn. of America, spoke on rate-making in the surety and bond field, and James Donovan, general counsel of National Bureau of Casualty Underwriters, discussed rates for all casualty lines.

The French delegation is headed by Georges Tattévin, president and general manager, Cie Generale d'Assurances, Fonfiance, Patrimoine, Paris.

At Lumbermens Mutual Casualty the French representatives visited the medical department, library, Mutual Insurance Institute, and the business machines department. They viewed the company's film, "Last Date," and one of the films in the company's "Sergeant Bruce Reporting" series. Following a luncheon, the group witnessed a demonstration of safety engineering techniques.

Eye Training Methods

Training methods for both field and home office personnel are proving the biggest eye-opener to the French insurance men. Adapted to the French insurance business, these techniques of training will be of the most practical value of all the information the group has acquired in its tour, the members feel.

Mr. Tattévin, the group's leader, said he had been deeply impressed with what is being done in this country in the life insurance business in the way of training personnel, particularly field personnel. He was also impressed with selection and recruiting techniques being developed here but it was the training that stood out especially in his mind.

Mr. Tattévin, who is general manager
(CONTINUED ON PAGE 25)



LOOKING FOR A MARKET

WHY NOT TRY

OUR OFFICE NEAR YOU

SAVE THAT ACCOUNT

DON'T LOSE COMMISSION

SPECIALISTS in placing UNUSUAL RISKS

Taxi Cabs
Livery Cars
Rental Cars
Rental Trucks
Rental Trailers
Motor-Scooters
Motor-Bikes
Motorcycles
Local Trucks
Long Haul Trucks
Butane Haulers
Propane Haulers
Gasoline Haulers
Financial Responsibility

Workmen's Compensation
Dram Shop Liability
Comprehensive Liability
General Liability
O.L.T. Liability
Amusement Park Liability
Carnival Liability
Fair Liability
Sporting Event Liability
Air Show Liability
Auto Races Liability
Outdoor Show Liability
Beauty Shop Liability

KURT HITKE & COMPANY, INC.

General INSURANCE Agents

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Phone Alpine 3418

Reisch Building
SPRINGFIELD, ILLINOIS
Phone Springfield 8-4305

1471 Wilshire Boulevard
LOS ANGELES 17, CALIF.
Phone Dunkirk 8-3161

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FINANCIAL STATEMENTS DECEMBER 31, 1950

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$12,625,000.	\$103,339,366.	\$59,095,773.	\$44,243,593.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	10,147,710.	6,856,269.	3,291,441.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	9,795,730.	6,388,425.	3,407,305.
Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small>	2,000,000.	26,621,995.	17,269,325.	9,352,670.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	34,858,112.	26,225,057.	8,633,056.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	39,807,677.	30,226,458.	9,581,219.
Royal General Insurance Company of Canada <small>Organized 1906</small>	100,000.	425,988.	24,127.	401,861.

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE
10 Park Place
Newark 1, New Jersey

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas



CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver, B. C.

FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.

Agents' Service Important, Sometimes Professional

Unless an agent knows what a client needs in the way of protection and persuasively recommends it, he is a bird dog and an order taker and ought not to talk about service of any kind, let alone professional service, according to buyers and agents themselves, who were asked to express their views on what constitutes the agent's "services." Many agents, however, perform that kind of service, and it is they who have preserved the agency system and caused it to prosper. As more and more of this type of agent develops across the country, the chance of companies abandoning the agency for some other system of marketing insurance fades further and further into the background.

The inquiry as to what, exactly, the service of an agent consists of, elicited also this expression: When dealing with the interests of other people, the agent can afford to provide only the best. Or, if the agent concentrates on what is best for insured, everything else takes care of itself.

Actually, the services of an agent fall into two classifications—those that any business has to perform and which he must also perform, and those that are peculiarly his own. An example of the latter might be the service an agent renders in case of loss. At that time insured needs a clear delineation of what is and what is not covered. Insured wants someone at his elbow that he knows and has confidence in, to advise him—he does not want to come up against a complete stranger, the adjuster or claim man, without knowing anything about the ground he stands on or being very uncertain of it.

buyer is entitled to complete underwriting, loss and engineering services and failure to perform any of them usually will lead to the loss of the business.

AGENTS SPEAK

One agent points out that some clients require certain services which others do not. Some demand services which others would not. Agents find themselves acting as efficiency engineers, prescribing changes in layout and operations; as accountants, suggesting methods of keeping the books; as brokers in merchandise, putting buyer and seller together; as lawyers (don't tell the attorneys), recommending legal procedure; as architects, recommending building specifications and even plans, and a hundred other things.

An agent's clients use him for just about everything. What does an agent do when a couple of his best customers call upon him to head up the Community Chest or Red Cross campaigns? Or, when they say, "We've put you down for a hundred, Joe?"

Specifically, the agent must know all he can about all phases of the business. He begins rendering service when he calls on the client for the first time and gets even a small order because he has seen his place of business or home, investigated his operations to the point where he knows just about what kind of insurance he needs to protect him against loss of property, capital or income. The agent gathers the facts about the man and his business on the first call. Out of the best material he builds an umbrella of protection to suit the client's particular needs. He does this at the lowest cost, which means studying rate schedules, distributing coverage, choosing policy terms, possibly staggering contract dates and financing premiums.

In Case of Loss

In event of loss, the agent instructs insured as to his obligations and the procedure. He will doubtless have to put insured in touch with various craftsmen to effect repairs, or with the police or adjusters, as the case may demand. Likely the agent will find himself doing most of the arranging.

The agent keeps himself fully informed of all changes and additions to coverages during the term of the policies, bonds, etc., with an eye to benefiting the client when the rules permit. Often there will be amount and location changes in the policy terms which necessitate endorsements from which no commission is derived. If it is a business account and whether or not the agent is the sole agent, he should provide a means by which the client can keep a comprehensive account of all of his insurance policies, coverages, expiration dates, costs, companies, agents, etc.

The agent produces the business by which the company lives. He uses care in selecting risks for his company. He does not overload his company to a point where it must forever seek reinsurance. He gives complete and proper information on all daily reports, endorsements, loss reports and monthly

(CONTINUED ON PAGE 24)



A plan
to increase your
commissions from
commercial clients

YOU handle all types of property-liability insurance for your commercial and industrial clients. They have confidence in your judgment. By showing how Business Life Insurance can help them, you can add materially to your commissions.

The Connecticut Mutual has worked with thousands of property and liability agents and brokers for many years. We have printed material that will give you exactly what you require to handle the life insurance needs of your clients and prospects. If you want selling help, we have men to work with you—men who know the subject thoroughly.

Practically every firm you serve needs one or more of the many types of Business Life Insurance. Perhaps it's Partnership Life Insurance, or Key Man Life Insurance, or Close Corporation Life Insurance, or Proprietorship Life Insurance. Many of these premiums run to thousands of dollars a year for each client, and familiarity with these subjects can greatly increase the earning power of your agency.

Perhaps you know now of a client or

prospect who should have one or more of these kinds of Business Life Insurance. Here's an opportunity to have at your fingertips some of the information necessary to discuss these profitable lines. The Connecticut Mutual has selling material on all four of these uses for life insurance. On all types of Business Life Insurance, there is a mail advertising approach that will bring *valuable inquiries* to your office. This material will be sent to you without cost or obligation. Complete and return the coupon, *today*.

The Connecticut Mutual

LIFE INSURANCE COMPANY • Hartford

CONNECTICUT MUTUAL LIFE INSURANCE COMPANY Hartford, Connecticut

I'm interested in selling business life insurance, so please send me, without cost or obligation, the sales literature checked here:

(Check one or more)

☐ Partnership Life Insurance ☐ Close Corporation Life Insurance
☐ Key Man Life Insurance ☐ Proprietorship Life Insurance

Name _____ (please print)

Street _____
City or Town _____ State _____



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BUYER'S VIEW

One buyer expressed it this way:

To one who has been in the buying end of the business for more than 20 years, the need for the services of an agent is self evident. No buyer is sufficiently versed in all branches of insurance to be able to go his way alone. He needs the services of an agent.

There are three fundamental requirements as to the agent—honesty, knowledge and service.

The agent must sell his services both to insured and insurer in a frank, open manner and not conceal anything from either party. The misunderstanding which results when an agent attempts to conceal any part of the risk from the underwriter usually results in the loss of business for the agent. He must have complete and thorough knowledge of his business and be able to evaluate the risk, make recommendations as to coverage and present this to the underwriter in such a way that the latter realizes exactly the risk he is assuming. The agent must be able to develop tailor-made forms to fit each insured's particular needs and must make certain that all new coverages and all improvements are incorporated in the coverages.

A good many agents lose business they have on the books because they fail properly to service their accounts. Their interest seems to be more in securing new business than in holding business they have on the books. The

Mrs. Walter D. Sheldon, wife of the Newark manager of Niagara; Thomas Finnegan, Corroon & Reynolds head office; Mrs. S. A. Gennet, and Mr. Gennet, Philadelphia lawyer, at the Philadelphia convention of Blue Goose.



OUR 35th YEAR OF CONSCIENTIOUS SERVICE TO LOCAL AGENTS



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Newark Underwriters Insurance Co.
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ATLANTA

A. H. TURNER
MANAGER

A. H. TURNER



F. M. KINNETT



E. F. EDWARDS



J. W. BOYD



Chubb & Son Units Report at Mid-Year

The Chubb & Son companies have published mid-year figures, showing for Federal and Vigilant combined premium written of \$13,123,790, and for U. S. Guarantee \$7,316,327.

The two fire companies had premiums earned of \$10,223,764; losses and loss expenses \$5,563,091; underwriting expenses and taxes \$4,569,338, underwriting income \$38,097, net income \$581,-

798, net surplus \$19,114,560, as against \$19,340,960, at Dec. 31.

Combined assets stand at \$59,834,595 and surplus to policyholders \$29,035,084.

For U. S. Guarantee the premiums earned were \$6,563,322, losses and loss expenses \$2,966,699, net underwriting income \$403,477, net income \$793,199, net surplus \$15,373,370, which was an increase of better than \$380,000.

Assets were \$40,853,628 and surplus to policyholders \$21,160,664.

Plan Mo. Outstate Breakfast

Robert Young, Jefferson City, chair-

man of the program committee of Missouri Assn. of Insurance Agents, has announced that Jerry Wilson, Aetna Casualty, St. Louis, will speak at the outstate agents' breakfast Nov. 2 in connection with the association's annual meeting at Joplin.

Donald Black of Cape Girardeau, chairman of the outstate agents' committee, will preside at the breakfast.

Seek Medical Payment via Wash. Assigned Risk Plan

Broadening of the Washington automobile assigned risk plan to provide voluntary risks medical payment coverage as well as excess limits is requested in a resolution adopted by Washington Association of Insurance Agents at its recent convention. The state national director was instructed to present this resolution to N.A.I.A.

Another resolution requests the state highway commission to inaugurate a program of improving highways so as to eliminate grade crossing hazards.

Consider Return Commission Change

Consideration is being given by the association of an amendment to the by-laws to provide that return commissions passing from one member to another be absorbed by the agent taking over a line.

The subject was thoroughly discussed at the Tacoma convention and a motion was adopted authorizing the incoming administration to appoint a by-laws revision committee to suggest an amendment for action at the next annual meeting. The suggested amendment would conform substantially to a similar provision in the by-laws of King County Insurance Assn. at Seattle.

New Contact Committee

Robinson C. Jenner, Seattle, has been appointed chairman of the fire contact committee of Washington Assn. of Insurance Agents by President Allender S. Brown, Spokane. He succeeds Austin J. Roberts, Walla Walla.

A new addition to the committee is Jack Shipley of J. E. McGovern-Carroll Co., Spokane. Holdover members are: Lynn M. Latta, Yakima; Howard S. Wetherald, Wenatchee; and Jack D. Powell, Tacoma.

The committee will meet with Washington advisory committee at Seattle Sept. 18-19.

Organize at Denison, Tex.

Local agents of Denison, Tex., have completed the organization of Denison Assn. of Insurance Agents. H. Leighton McKinney, Jr., is president; Fred Hahnel, vice-president, and Guy Cooke, secretary.

America Fore Advances O'Brien

America Fore group has appointed Thomas E. O'Brien as agency superintendent of the New England and Long Island territories of the fire companies. He will have headquarters at the home office.

For several years, Mr. O'Brien has been a special agent for the fire companies at Hartford. He started with Continental in 1932 as an automobile examiner in the home office and later, was assigned to Philadelphia. During the war he served in the marines.

Expect Early Decision on Dearborn Nat'l Receivership

LANSING, MICH.—Final briefs have been submitted to Judge Coash of Ingham county circuit court in connection with the receivership proceeding brought by the Michigan department against D. F. Broderick's Dearborn National and Dearborn National Casualty. A decision is expected within a few weeks.

The companies have been seeking to reorganize on their own terms following the department's action in petitioning for a receivership after it was found that their investment portfolios contained large blocks of other Broderick-controlled enterprises, creating a pyramidal structure banned by the insurance code.

At first the Broderick interests sought to supply new capital, largely through an RFC loan which would permit formation of a new multiple-line insurer. The RFC loan was not forthcoming, however, so an alternate proposal was presented to form a new insurer, part of whose assets would be provided through loans based on collateral represented by the non-admitted assets.

Plan Joint Mutual Meeting

Kansas 1752 Club and Kansas Assn. of Mutual Insurance Agents will hold a joint one-day educational meeting at Wichita Nov. 9. John Rhodes, Mill Owners state agent, Wichita, is 1752 Club president while Lester Butler, Dodge City, is the mutual agents' president.

Plan Ocean Marine Course

Oakland Assn. of Insurance Agents in cooperation with the University of California extension division is scheduling a 10-hour advanced course on ocean marine insurance with Beverly C. Turnbull, Providence Washington, as instructor. The course will start Sept. 26 and will be conducted each Wednesday for two hours in the evening.



Where the Monongahela and the Allegheny join to form the Ohio River, private enterprise and civic groups have planned to invest a billion and a half dollars to refurbish the Golden Triangle of Pittsburgh. Here, in the midst of fifty-nine acres of park, eight commercial buildings have been projected, three of which are nearing completion.

The plan is a sensible one, for Pittsburgh is in the northeast quadrant which contains, within a radius of five hundred miles, 18% of the nation's land area, 55% of its population, 60% of its retail trade, and 64% of its income. The city itself is America's largest inland river port, handling more freight tonnage than either the Suez or Panama canals. The story of Gateway Center is but the climax to the greater story of a city that is going places.

The insurance industry has long played an important role in the development of commercial, industrial, and cultural America through providing vast sums of money for research and expansion and by furnishing the protection which progress demands.



NATIONAL UNION
Fire Insurance Company
OF PITTSBURGH, PENNSYLVANIA



Philip Metzger (center), retiring assistant western manager of London & Lancashire at Chicago, is examining handsome wristwatch with which he was presented, while C. E. Dox, the manager (left), and C. E. Stiehl, Mr. Metzger's successor as assistant manager, look on.

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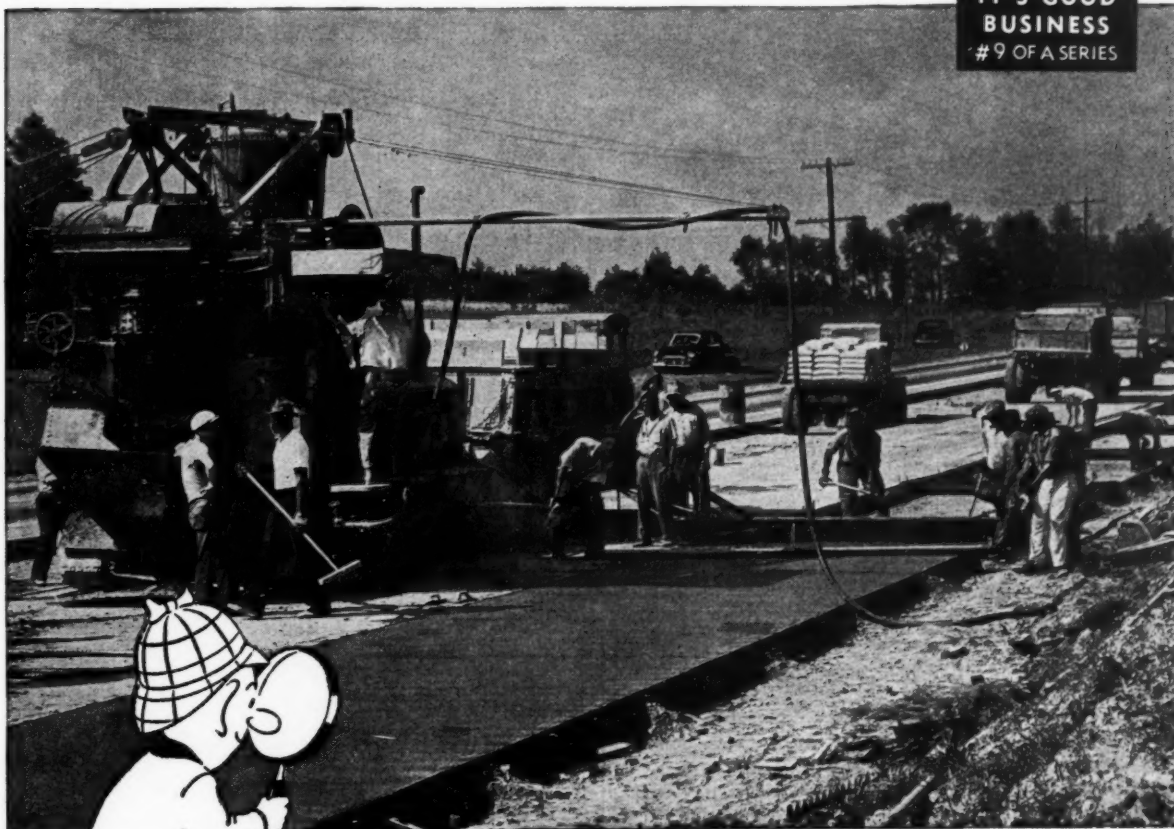
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CONTRACTORS of every type present real oppor-

tunities for the alert agent who is equipped to make a complete survey,

a detailed sale, and who is ready to follow-up with real service.

Agents of *The American Insurance Group* are reaping the rewards

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The American Insurance Co.

Bankers Indemnity Insurance Co.

The Columbia Fire Insurance Co.

The Jersey Fire Underwriters

Insurance Expands With Other Business in South

Every region has its pride, but the area from Virginia south and from Florida to Texas can marshal greater economic increase figures for the last 10 to 15 years than other sections of the country. Interwoven with the industrial and business expansion has been a corresponding number increase in the fortunes of insurance agents.

Insurers, eyeing the rising tide of economic activity in chemical manufacturing all over the south, citrus fruit and tourists in Florida, steel and paper in Alabama, Georgia and elsewhere, oil in Texas, textile plants in the Carolinas, etc., have, the alert ones, kept pace with increased field staffs and broadened service facilities. At National Assn. of Insurance Agents conventions in recent years the southern contingent has grown in numbers and influence and has impressed other visitors with its energy, knowledge of the business, and eagerness to find out more.

Prior to the mid-1930s a fire field man in the south had to scramble for business and struggle to maintain a

decent loss ratio. The south consisted largely of an agricultural economy and communities built on it. Insurance business was hard to get. Textile plants and other industrial enterprises were just beginning to come into Virginia and the Carolinas.

By the mid-1940s, the atmosphere had changed. The south was prosperous and growing and optimistic. In almost every year since the mid-1930s the overall fire results have been profitable even though the wind in some years proved obstreperous and banged the insurers for heavy losses. However, in general, the fire business has been profitable for the last 16 to 18 years.

One field man puts it this way: Agencies that used to give his organization \$2,000 a year in fire and allied premiums, today, many of them, give him \$20,000 of premiums or more. Thus the individual, well managed agency has grown more prosperous. Also, the number of agencies has increased. Field men note a marked increase in the sales ability and insur-

ance know how of agents in the south. There are fewer part-timers, in proportion, than there used to be. In former days an agent might be a banker or a real estate agent; insurance was a sideline. Today it does not have to be and in most cases is not. Agents are devoting their full time to that occupation, they are well educated, use modern methods, follow changes and developments closely.

Addition of \$5 Million

An example of the extent of industrial expansion is contained in the experience of an agent who not long ago received a call from insured that manufactures citrus juice concentrate. The insured wanted \$5 million of coverage on an addition to his plant.

One study shows that the south now has more than 2,500 industrial plants valued at \$1 million or more each. There are 552 multi-million dollar plants in the textile industry, 4 in chemicals, petroleum and fertilizer, 335 in foods and beverages, 264 in lumber and furniture, 252 in metals and metal fabricating, 212 in machinery and equipment, 161 in clay, coal and other minerals, and 140 in paint, pulp and paper. There has been big development in chemicals, plastics, and rubber from oil, the south is a big producer of sulphur and it was in the south that there was perfected the process of making good "container" paper out of scrub pine, one of the fastest growing tree crops in the country. Pine grows on poor land, and the production of containers for shipping and packing products and materials that used to be put into wooden boxes has become a big industry.

The premiums have increased in the south about three times as fast as in the remainder of the country. It is noted that stock fire, extended coverage and wind storm premiums in 1949 in Florida were \$32 million and in 1950 \$44 million, an increase of almost 40%. State governments in the south have been sympathetic to the development of business and industry. There is a vast amount of cheap power, raw materials and good transportation. It looks like reconstruction has been accomplished.

A. H. Turner Agency Marking 35th Year

The A. H. Turner agency of Atlanta is this month celebrating its 35th anniversary. Established by Mr. Turner during the first world war, the general agency continues under his management, representing the following companies in the eight southern states from Virginia through Louisiana: American Central; Caledonian; Century Indemnity; Metropolitan Underwriters of U. S. Fire; Newark Underwriters; Northern of New York; Northwestern National; Seaboard Fire & Marine; Southern Underwriters Department of Aetna Fire; Yorkshire; Yorkshire Indemnity, and Western Assurance.

Mr. Turner's insurance career began 55 years ago with a job as mail clerk in the Queen's Atlanta office, and continued through various advancements to the post of head examiner. His first general agency experience came in 1906 when he accepted a post with the New Orleans firm of M. A. Shumard. That was the year of the San Francisco fire and, as a result, the German of Freeport failed and was purchased by Royal for \$1 million, at that time the largest amount ever paid for an insurance company in this country. Mr. Turner was then offered the position of special agent in the Royal's southern department and travelled Louisiana until 1913. During that period the number of agents increased from 30 to 118, and premium income increased over threefold.

Due to this increase, the southern department created the post of agency superintendent, and Mr. Turner held this post until 1916, when he purchased the interest of Hinton J. Hopkins in a general agency firm of Dargan & Hopkins. Years have seen changes in repre-



Mrs. W. P. Deese; Mr. Deese, Nashville local agent and most loyal gander of the Tennessee pond, and Mrs. Alvin Tregoning, whose husband is with Security of Connecticut at Seattle, at the Philadelphia convention of Blue Goose.

sentation and in agency methods, but few in the agency's personnel. Nearly all have been with Mr. Turner for 20 years or longer—some for more than 30 years.

In 1945 Mr. Turner created a co-partnership by taking into the business three of the men who had long been associated with him. They are: Frank M. Kinnett, E. F. Edwards, and J. W. Boyd.

The different territories are handled by the following field men: Ballard M. Beine, Jr., John S. Bost, John W. Boyd, Frank H. Dobbins, Barney S. Dunlap, E. F. Edwards, John W. Evans, A. M. Fincher, Jr., Ernest G. Herring, Jr., James J. Howe, Robert N. Kempf, P. O. Lewis, and Fred L. Volberg.

Ariz. Adjustment Agency Now Has Three Partners

F. L. Hunter and W. E. Bauman, Jr. have been taken into Arizona Adjustment Agency as co-partners, by B. F. Hunter, the manager. The main office is at Phoenix and there are branches at



Bauman B. F. Hunter F. L. Hunter

Tucson and Flagstaff. F. L. Hunter, son of the manager, has been with the organization 16 years. Mr. Bauman has been with the Loyalty group nearly 25 years and for the past 10 years he has been Arizona claims manager.

G.A.B. Opens at Bend, Ore.

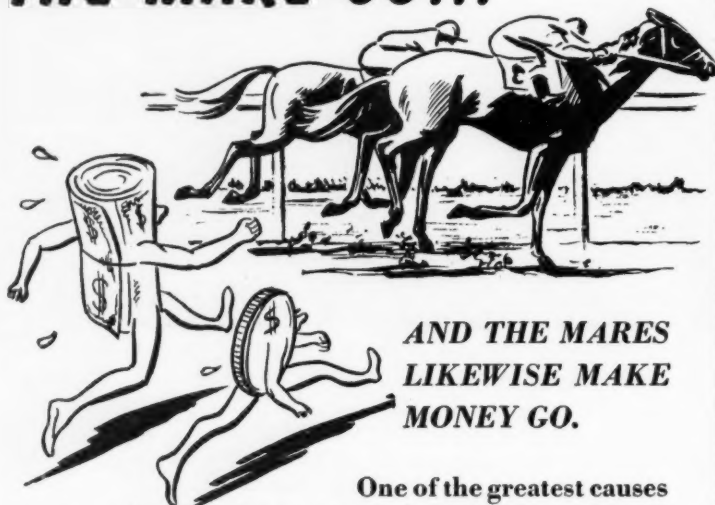
General Adjustment Bureau has opened a new branch office at Bend, Ore. A. E. Hunt, Jr., is manager. Mr. Hunt joined the bureau in 1947 after prior experience as a company staff adjuster. He has been at Portland.

CASUALTY UNDERWRITER

A company wants an Auto Underwriter for their Florida office. This position offers an excellent opportunity in a fast growing concern. Salary open.

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AND THE MARES LIKEWISE MAKE MONEY GO.

One of the greatest causes of embezzlement is the lure of "easy money" at race tracks. Not over 10% of businesses carry fidelity bonds to protect them against such losses. Yet the need for this protection is great when you consider that millions of dollars are lost annually by uninsured concerns due to "light-fingered" actions of their employees.

HERE IS A LUCRATIVE FIELD...

WHY NOT CULTIVATE IT?

Phoenix-London

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About one out of six fires can be traced to heating equipment. Make sure there are no holes or rusted spots in smoke pipes and that your chimney is clean. Don't keep burnable material near your furnace or hot pipes. If you have an oil burner and it has not been serviced within the past year, call your service man today.

AETNA INSURANCE GROUP

AETNA INSURANCE COMPANY • THE WORLD FIRE AND MARINE INSURANCE CO.
THE CENTURY INDEMNITY COMPANY • STANDARD INSURANCE CO. OF N. Y.
HARTFORD, CONNECTICUT



This advertisement also appears—in color—in **TIME, NEWSWEEK, PATHFINDER, U. S. NEWS and WORLD REPORT.**

Clinton L. Allen, President

FOUNDED IN 1819, the Aetna Insurance Company takes its name from the famous volcano, which "though surrounded by flame and smoke is itself never consumed." From that day to this—through wars, conflagrations and depressions—no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.



THINK FIRST OF THE AETNA

Ohio Farm Agents Group Hits New Forms and Rules

Ohio Farm Writing Agents Committee has issued a statement criticizing the new forms and rules applicable Aug. 20 to Ohio farm business. This, they say, represents a trend away from blanket and toward specific coverage. The committee, meeting at Columbus at

the office of Ohio Assn. of Insurance Agents, consists of Hoyt G. Whitney, Sunbury, chairman; Earl B. Andres, Bryan; Richard Berry, Urbana; Karl D. Dakin, Lebanon; E. H. Deshler, Lima; B. W. Phelan, Versailles; J. Bryan Wol- to consider the public relations and lam, Cortland.

Mr. Whitney said the committee believes the companies were considering favorably more blanketing and less spe-

cific coverage. Conferences with Ohio field men, and on several occasions with the governing committee of Farm Underwriters Assn. at Chicago, indicated an understanding and sympathy with the public relations problem which had induced the Ohio committee to advise agents to await with patience a more suitable form. The Aug. 20 program, according to the committee, was a "shocking revelation."

Loss ratios of individual agents are entirely at variance with the recent form trend, the committee states.

College Men Feted

Five college teachers who are spending from four to six weeks this summer in the New York offices of insurance companies, and a sixth who is visiting from Florida, were the guests of Insurance Society of New York. They were: Hans Janssen, Yankton College, Yankton, S. D. (Phoenix-London group); Philip H. Lohman, University of Vermont (Equitable Society); Robert I. Mehr, University of Illinois (Royal-Liverpool); Carroll C. Stalnaker, Alabama Polytechnic Institute (Home); J. Donald Watson, University of Maryland (New York Life), and J. Eugene Pierce, University of Florida, who at present is using the Insurance Society's library for research in connection with his doctor's dissertation at University of Pennsylvania.

Most in Fellowship Program

The group studied the library under the guidance of the librarian, Miss Mable B. Swerig, and Dean Arthur C. Goerlich. The visit was followed by luncheon.

All except Dr. Pierce are participating in the fellowship program sponsored by coordinating committees of insurance companies and other organizations and American Assn. of University Teachers of Insurance.

Robert I. Mehr is spending 18 days at Royal-Liverpool observing procedures and methods.

Mr. Mehr is one of 24 teachers who are spending from four to six weeks in 14 life home offices and nine fire and casualty home offices.

Mr. Mehr is the author of "Principles of Insurance," a textbook that will be published by Irwin in December. The itinerary arranged for Mr. Mehr emphasizes, at his request, casualty underwriting. Graham Russell, superintendent of personnel and public relations, expressed the belief that if this program is to be of value both to the professor and the company, "we must permit access to all we've got to give."

Sturhahn Makes Change

H. C. Sturhahn & Co. has become associated with the New York firm of average adjusters and insurance brokers of Francis C. Carr, Inc. Mr. Sturhahn has been in the insurance brokerage business in New York since graduating from Yale in 1927. He was with Fred S. James & Co. and was president of Delanoy, Kipp & Sturhahn, Inc., before he formed his own organization in 1949.

Insurance Women of Wichita headed by Miss Emily Casford of Wheeler, Kelly, Hagney, former executive board member of N.A.I.W. will resume dinner meetings next week.

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YOU ARE NOT FULLY IN THE KNOW UNTIL acquainted with the WORLDWIDE INSURANCE FACILITIES obtainable through A.I.U.

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By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
Sept. 4, 1951

	Div.	Bid	Asked
Aetna Casualty	3.00*	99	103
Aetna Fire	2.25*	55	56 1/2
Aetna Life	2.50*	85 1/2	87
American Alliance	1.50*	30	31 1/2
American Auto	2.00	47	49
American Equitable	1.50	25	26 1/2
American (N. J.)	1.00	22 1/2	23 1/2
American Surety	3.00	54	56
Boston	2.65*	64	66
Camden Fire	1.15*	21	22
Continental Casualty	2.50*	67	68 1/2
Fire Association	2.60	60	62
Fireman's Fund	1.60	53	55
Firemen's (N. J.)	.70	22 1/2	23 1/2
Glens Falls	2.30*	59	61
Globe & Republic	.80	12 1/2	13 1/2
Great American Fire	1.50*	35 1/2	37
Hanover Fire	1.60	33	34 1/2
Hartford Fire	3.00*	141	144
Home (N. Y.)	1.50	37 1/2	39
Ins. Co. of North Am.	2.50*	72 1/2	74
Maryland Casualty	1.00	20	21 1/2
Mass. Bonding	1.60	26 1/2	28
National Casualty	1.50*	32	34
National Fire	2.50*	60 1/2	62 1/2
National Union	1.60	37	39
New Amsterdam Cas.	1.50	37 1/2	39
New Hampshire	2.20	40	42
North River	1.20	26	27 1/2
Ohio Casualty	1.20	59	61
Phoenix, Conn.	3.00*	81	83
Prov. Wash.	1.50	29	31
St. Paul F. & M.	.80	32	34
Security, Conn.	1.60	32	33 1/2
Springfield F. & M.	2.00	46	47 1/2
Standard Accident	1.60	36 1/2	38
Travelers	14.00*	624	634
U. S. F. & G.	2.00	53 1/2	55
U. S. Fire	1.40	37 1/2	39

*Includes extras

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Program for N. J. Agents' Annual Meeting Announced

The program for the annual meeting of New Jersey Assn. of Insurance Agents at Asbury Park has been completed. It will open Sept. 27 with a general business meeting at which time reports and the president's address will be heard and officers elected. A "cow-tail" party under the auspices of Camden Fire will bring the morning session to a close.

In the afternoon Roy A. Duffus, state national director of the New York association, will talk on "How to Be a Better Agent" and Leon A. Watson, manager of Fire Insurance Rating Organization of New Jersey, will speak on extended coverage. That evening there will be a cocktail party given by America Fore, and a dinner-dance.

At the session Sept. 28 certificates will be presented to the men who have assisted in the school of insurance conducted by the state association. Mr. Duffus will act as moderator in the "question box" which will follow. In the afternoon Salom Rizk, author and lecturer, will speak and the awarding of the Wilson memorial cup will bring the convention to a close.

Announce Plans for Mutual Agents' Chicago Meeting

National Assn. of Mutual Insurance Agents, which will hold its 20th anniversary convention at Edgewater Beach Hotel, Chicago, Oct. 17-19, will include an observance of the 200th anniversary of mutual insurance. Reports will be given on the organization's alert youth awards.

R. E. Hill, Chattanooga, association president, has named R. A. Mead, Peoria, Ill., general chairman of the convention committee.

A.F.I.A. to Open Branch at Washington This Fall

American Foreign Insurance Association will open an office at Washington, D. C., in the fall. Alfred E. Lampe has been appointed manager. Mr. Lampe, a graduate of the U. S. Naval Academy, has been active in insurance in Washington and Philadelphia. He is president of the District of Columbia C. P. C. U. chapter.

No Change in Texas Rule

Paul H. Brown, Texas fire commissioner, has notified Texas Insurance Checking Office that the report circulating among agents that it is permissible to endorse dwelling policies, written before June 16, granting a refund when a fire hydrant is installed is untrue. He states that this rule has been under consideration but for the present no change is contemplated.

Frank Marryott on Deck

In line to succeed Clarence Heyl of Peoria as chairman of the insurance section of American Bar Assn. at the annual meeting at New York the week of Sept. 17 is Frank Marryott, who is general counsel of Liberty Mutual of Boston. He is the first vicechairman and if he continues to conduct himself with his customary dignity for the next few days, he is regarded as being certain of election.

Second vicechairman is Ralph Kastner, associate general counsel of American Life Convention, Chicago, and he will normally proceed to be first vicechairman this year and chairman in 1952.

Plan Texas Film Depository

As a cooperative effort of Texas Insurance Advisory Assn. and Fire Prevention & Engineering Bureau of Texas, a film depository will be established at Dallas. The films now in the Advisory Assn. library at Austin will be placed there, along with the exten-

sive library now maintained by the Engineering Bureau. Future requests for films will be handled by the Engineering Bureau. The depository will serve the Texas field clubs, agents, and others interested in fire prevention movies.

Kenneth Bell "Ad" Speaker

Kenneth C. Bell, vice-president and cashier of Chase National Bank of New York, will be the luncheon speaker Sept. 17 at the annual meeting of Insurance

Advertising Conference at Shawnee-on-the-Delaware. The convention runs from Sept. 16-18. For many years he was in charge of insurance subjects at the graduate school of banking at Rutgers university.

New G.A.B. La. Office

General Adjustment Bureau has opened a new office at Natchitoches, La., with E. Dewey Black as manager. Mr. Black joined G.A.B. after service in the army and in 1947 was assigned

to Shreveport. He has more recently been at Natchitoches as resident adjuster.

Preston Bacon of the Northcott-Bacon agency has been named chairman of the fire prevention committee of Newton (Kan.) Insurance Board and Chamber of Commerce.

Directors of the Tri State Mutual Agents Assn. of Pennsylvania, Maryland & Delaware will meet in Philadelphia September 10.

Do you add
CPL to your PPF
policies?



In most states Comprehensive Personal Liability may be written as an endorsement on the Personal Property Floater. The CPL can also be endorsed on a Sports Equipment or Golf Equipment Floater, an Outboard Motor Policy, or any *personal* inland marine cover such as Jewelry and Furs. In some states the CPL may be endorsed on a residence fire policy — either building or contents. Since both the Security and The Connecticut Indemnity are multiple-line companies, both companies are writing these useful combination policies.

This has several advantages from your viewpoint as an agent. You have only one bill to send and one expiration record to make, thus reducing your office overhead. You make a larger commission on each sale, thus reducing your selling cost. You can conveniently sell a coverage that's extremely important to your clients' safety — thus giving better service to your clients.

To help our agents spread the good word about this valuable combined protection, we are sending them a Bulletin explaining the new combination and suggesting ways to sell it. Available to them are these four valuable sales helps:

1. Personal Property Floater Rate & Information Guide.
2. Comprehensive Personal Liability Rate Chart.

3. A new cartoon-illustrated folder on the PPF.
4. A new, attractive folder on the CPL.

If you would like to see samples of the Bulletin and the four valuable selling aids listed, simply complete and send in the coupon. There is no cost or obligation and perhaps these up-to-the-minute sales promotion helps will give you ideas that will guide your agency toward more, and very profitable, personal insurance premiums and commissions.



SECURITY-CONNECTICUT COMPANIES New Haven, Connecticut

Please send me, without cost or obligation, samples of your CPL and PPF rate and information charts, your new folders on these covers and your Bulletin on this new combination policy giving ideas on how to sell it.

Name _____ (please print)

Agency _____

Street _____

City or Town _____ State _____

Security INSURANCE COMPANY OF NEW HAVEN
THE Connecticut INDEMNITY COMPANY
HOME OFFICES: NEW HAVEN, CONNECTICUT
1841 — "SECURITY", THE NATION'S WATCHWORD — 1951



National Board Films Much on TV

NEW YORK—There are now 107 television stations over the country, with a 60 million audience, and among them has developed a considerable demand for short films of a public education nature. For example, in July and August alone, films in the library of National Board had 95 separate showings over 31 stations around the country, from Los Angeles to New York City and from Lansing to Atlanta.

The development of this phase of National Board's public information service has been an interesting one. Wendell Sether, who is in charge of the public information section of the board, has supervised film production and distribution since its inception in 1946. At that time National Board started out with a dozen prints of two films. Today the library contains more than 800 prints of 18 titles, some telling about the services of the insurance business and others delineating a safety theme.

The summer is of course a time when TV stations are more pressed for visual

material to exhibit than at other times in the year. However it is not generally realized that TV chews up visual entertainment at a tremendous rate. TV stations are always eager to secure good material. As a matter of fact, the comments of TV station managements where National Board films have been shown almost invariably end up with the statement that the stations could use more of this type of film, if it is available.

Another attraction for TV stations, however, is that showing this kind of film represents good public service on their part. Such film fits in with interest in improving the public service character of their program offerings.

Because such films ordinarily are short, perhaps less than 15 minutes, they are particularly appreciated by stations for fill in purposes. Nevertheless, the telecasting business is anxious to have them, and the outlet has increased enormously the audience of the institutional and educational type film that National Board has in its library. A few years ago, a board film, which on the average costs between \$10,000 and \$15,000, could count on being shown 200 times the first year and averaging an audience of 30 people per showing. Now it is possible in a single TV audience to reach 60,000 persons. This is at no cost to the National Board. The board simply furnishes the film.

Interest Grows

The board has been furnishing occasional films to TV stations for several years, according to Mr. Sether. However, in the past year the interest in films of a public interest nature—not sales—has increased tremendously. National Board films were not primarily intended for TV presentation, but Mr. Sether found that they could be edited from 20 minutes to something under 15. This frequently had the effect of speeding up action as well as getting it within most TV requirements. Of the seven films which National Board itself has made, three have been produced in the last 15 months—The Torch, These Are the Facts, and Fire on the Farm. All have had an excellent reception from TV audiences and the TV stations.

About three years ago National Board started producing TV spot programs. At first there were slides with off screen narration. Then the board took some of the musical jingles it had been using on AM radio stations and cartooned them. These consisted of slides which moved across the camera. Between 40 and 50 TV stations used them until they were worn out. Then the board produced three semi-animated cartoons, and these were accompanied by commercials sponsored by local insurance agents' groups. Mr. Sether himself made a couple of movies of forests on the forest fire safety theme which were used by many TV stations.

New Series of Cartoons

Presently, the board is developing a new series of fully animated, 50-second films, the first two on fire prevention and underinsurance. Already used by some stations, they are expected to be widely shown this fall.

Presumably as time goes on there will be even more competition for TV time for films of this sort. But stations will continue to seek more of them. They are carrying the story of fire insurance services and fire safety to a tremendous audience.

G. W. Hart, Boston Insurance Veteran, Is Retiring

George W. Hart, since 1939 manager of Rice & Whitney, agents for the Niagara Fire of America Fore group at Boston and the metropolitan area, has retired after 37 years in insurance. His retirement is under America Fore's retirement plan.

Clyde H. Turner, for many years Mr. Hart's right-hand-man and assistant manager, has been appointed manager. Mr. Hart started as an office boy at the home office of Niagara Fire in 1894.

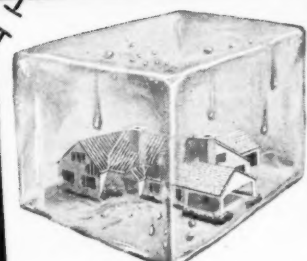
In 1909 he was appointed an assistant special agent and attached to the Boston office of Rice & Whitney. He was made assistant manager there in 1922; a co-manager in 1934 and in 1939, following the death of Clifford H. Rice, he was appointed manager.

Mr. Turner in 1927 joined Boit, Dalton & Church in the underwriting department. In 1941, he went with Rice & Whitney as an underwriter and later was made assistant manager.

War Cover in Back Seat

WASHINGTON — No war damage legislation at this session of Congress looks better than a good bet to insurance interests. President Truman's latest message recommending controls legislation has the Senate banking committee, which also handles war damage—if and when—snarled up in a series of meetings and hearings that are expected to require so much time that war damage will have to take a back seat again.

George Blum, well known Chicago independent adjuster, became a grandfather for the first time Tuesday when his daughter, Mrs. Gordon Dimmitt of Ottumwa, Ia., gave birth to a boy who has been named Keith Scott Dimmitt.



The Freeze is on . . .

Rebuilding may be impossible

Our national advertising emphasizes the importance of fire prevention right now. If any one of your customer's property is destroyed, he may have trouble rebuilding, because materials are in short supply. Keep your customers aware of this situation . . . and promote fire prevention!

**THE PHOENIX
CONNECTICUT**
GROUP OF INSURANCE COMPANIES

The Phoenix Insurance Co.
The Connecticut Fire Insurance Co.
Equitable F. & M. Insurance Co.
Minneapolis F. & M. Insurance Co.
The Central States Fire Insurance Co.
Atlantic Fire Insurance Co.
Great Eastern Fire Insurance Co.
Reliance Insurance Co. of Canada

Executive Office: Hartford 15, Conn.

TIME TRIED AND FIRE TESTED

1883 — 1951

Great changes in the insurance business
have taken place since the

DUBUQUE FIRE & MARINE

Insurance Company

Dubuque, Iowa

first opened its doors

68 Years Ago

However, the things which impressed agents
then are more attractive than ever before—

strong financial position;
friendly home office cooperation;
fair and prompt adjustment of losses;
alert and helpful fieldmen

FIRE AND ALLIED LINES
INLAND MARINE — OCEAN MARINE

Are You Protecting Your Client's Interest?

Will the Co-Insurance Clause
Take Its Toll in Case of Fire?



AN ACCURATE APPRAISAL
WILL PROVIDE THE ANSWER

BRANCH OFFICES IN ALL PRINCIPAL CITIES

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITY ON FIRE LOSS VALUES

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I. C.
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office,
Chicago

Correspondence on Mo. Resolution Is Continued

H. K. Dent, president of General of Seattle, has made public additional correspondence flowing from the adoption by the executive committee of Missouri Assn. of Insurance Agents of a resolution condemning insurers for dealing directly with insured on renewals and mentioning General specifically in that connection.

Mr. Dent releases first the following letter that he received from Joe Jackson, Jr., of Maryville, member of the executive committee of the Missouri agents association:

Dear Mr. Dent:

Mr. Gregory (B. G. Gregory, executive secretary of Missouri Assn. of Insurance Agents) has advised me that you believe our executive committee is nuts.

Such statements usually originate from such cattle as yourself. This is no insult when I consider the source.

Mr. Dent replied to this as follows on Aug. 28:

Dear Mr. Jackson:

I have your letter of Aug. 22, in which you state you do not consider my letter to Mr. Gregory, referring to your executive committee as "nuts" an insult because you consider the source. Frankly, Mr. Jackson, I am delighted at your position because it certainly was not intended as an insult.

Undoubtedly the choice of words was not as diplomatic as it might have been to a committee such as yours; if so, I will gladly apologize and ask for the privilege of substituting "off the beam" or "not knowing what you are doing" for the word "nuts."

The original letter from Mr. Gregory asked for my cooperation in seeing that this practice did not continue. I felt that if the committee had any evidence of our violating any sound practices and they were sincere in their effort to have us discontinue them they should have given us specific instances so we could correct them. I still feel that any committee that passes a resolution of this kind and sends it to the press, undoubtedly with the intention of injuring the company, without first giving that company itself a chance to explain or correct it, is "off the beam."

P. S. I was always under the impression that Missourians not only wanted to be shown but granted the same privilege to others. That was all I asked.

From Robert V. Ely of Roswell, N. M. "I have read with interest and some disgust the Missouri agents' resolution regarding the matter of insurance companies soliciting renewals direct. The complaint might be justified if the practice actually existed to any extent. However, to single out companies like the

General of America and the Continental Casualty to accuse is to give evidence of the grossest kind of ignorance and malicious disregard of the facts.

"At one time I was a member of the Missouri Assn. of Insurance Agents and it grieves me to see them display such misunderstanding.

"It is too bad that this energy isn't expended on something designed to make the association and the business in general as progressive as the General Insurance Company.

"You are correct — I am an agent for the General, but also for five so-called board companies. This latest attack on

the General by the uninformed and malicious is like all previous — pure unadulterated rot."

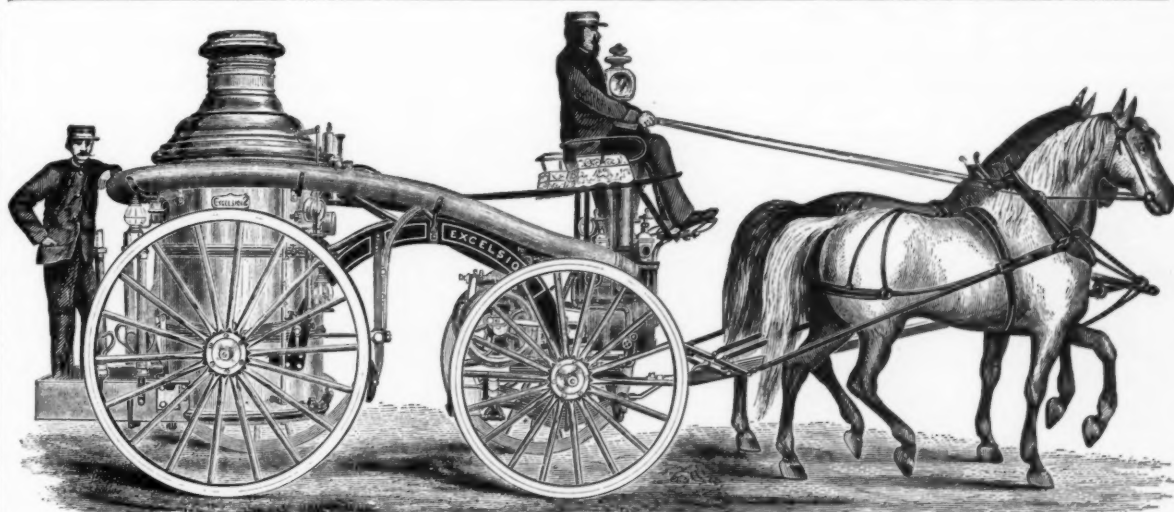
New Marine Treatise

Cornell Maritime Press of Cambridge, Md., has published a volume "Marine Insurance Digest" by Hugh A. Mullins, who is manager of the average adjustment department of Rollins Burdick Hunter Co. at New York. In contains 296 pages and sells for \$5. The volume is dedicated to Thomas J. Prindiville, chairman of Rollins Burdick Hunter, who is located in New York. Mr. Mul-

lins is chairman of Assn. of Average Adjusters and has lectured on marine insurance at New York university, Columbia and University of Pennsylvania and was for many years chairman of the marine lectures committee of Insurance Society of New York.

The volume consists of a digest of the law and practice in language readily understandable by the layman. Legal references have been omitted. The subjects are treated under various topics that are presented alphabetically.

Missouri Fire Prevention Assn. will launch its fall inspections at Palmyra



No more Out-of-Date than Many Peoples' Fire Insurance!

You know that — but do all your clients? Many people simply don't realize that a Fire Policy only a few years old can be completely out-of-date because of the sharp increase in values in recent years.

That's why there's a real need — and a real opportunity for you — to remind your clients that their higher values require greater insurance protection or they will be risking serious loss.

That's a theme to hammer home during Fire Prevention Week, and 51 other weeks a year. It will be doing your clients a real service — and it won't hurt your own income a bit.

The National Board of Fire Underwriters has a variety of promotional material for you. Your local Fire Association or Reliance Field Man can help you get it — use it. Contact him or write us direct now.

Head Offices: 401 Walnut St., Philadelphia 6, Penna. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto. Claims and Settling Agents throughout the world.

 **Fire Association**
SINCE 1817
Symbols of Security  **Reliance**
INSURANCE COMPANIES OF PHILADELPHIA



I. C. Faber, Chicago manager of National Union Fire (left), is shown with James Thomas, assistant secretary from the head office, on Mr. Thomas' recent visit to Chicago.

Hiller Advanced by G.A.B.

General Adjustment Bureau has appointed J. Frederick Hiller, Jr., to succeed W. K. Owrey as manager at Du Bois, Pa. Mr. Owrey has requested relief from administrative duties because of ill health. Mr. Hiller has been with G.A.B. since 1940.

Return Commissions Sought

Commissioner J. R. Maloney of California has filed a petition in superior court at San Francisco asking for an order directed to Leonardine, Pardine

& Truax, stockton, Cal.; Earl J. Carroll, San Francisco, and W. M. Moselle, Los Angeles, to show cause why they should not pay to the commissioner, as liquidator of Rhode Island Inc. Co. in California, return commissions on policies of the company that had been cancelled at the request of the insured. It is understood this action was brought to determine the legal extent of he liquidator's authority in collecting return commissions from producers.

Kansas field clubs will hold their opening fall meeting Sept. 18 at Topeka.

R. G. Perkins, General Adjustment Bureau manager at Philadelphia; Mrs. Perkins, and E. W. Elwell, former U.S. manager of Royal Exchange, now adjusting losses for G.A.B. in the Philadelphia area, pictured at the Blue Goose grand nest at Philadelphia.



Nat'l Union Names Gregory Hutchison Marine Specials

National Union Fire has appointed W. N. Hutchison marine special agent in western Pennsylvania and West Virginia, and Henry E. Gregory marine special agent in Nebraska.

Mr. Hutchison, who will have headquarters at the home office, formerly was Pennsylvania special agent for Pacific National Fire. He is a veteran of the last war.

An air force veteran, Mr. Gregory has completed the company's training course. He will make his headquarters at Omaha.

Compulsory Bond Bill

WASHINGTON — A performance bond would be required to be furnished by anybody awarded a contract relating to defense activities of the U. S. under a bill introduced by Rep. Ford, Michigan.

He says he introduced it because of a specific case of an army procurement contract not awarded to a responsible bidder in his district, but to what he described as a "fly-by-night" concern at Memphis.

Mr. Ford made a speech in the House on the subject and points to reports from the Hebert subcommittee of the House armed services committee which has investigated defense procurement practices and policies and severely criticized some of them, with particular reference to the problem of waiving performance bonds in connection with defense contracts.

The House committee has demanded that bonds be required of defense contractors as required by law, generally. It has received criticism from the general accounting office of the practice of too-frequent waiving of the bond requirement.

Under the Ford bill a performance bond would be required except in specific cases where the Defense Department, through the Secretary of Defense, waived the requirement. Mr. Ford believes this affords little protection.

Changes at Washington

WASHINGTON—A. E. Lampe has left the Washington offices of American International Underwriters to open here for American Foreign Insurance Assn.

A.I.U. announces appointment to its Washington staff of E. I. Millor, assistant manager, and W. P. Akers, underwriter.

Reinsurance Plan Eyed

WASHINGTON — The suggestion of a defense fire insurance program or that a fire reinsurance pool be formed to write coverage on private industrial and war plants constructed and operated under the government's mobilization and dispersal plans is one of a number of proposals, suggestions, etc., being explored by Defense Department people and others concerned, department Insurance Director Thomas Kane says. It was emphasized that such exploration does not necessarily mean adoption.

However, Mr. Kane indicated the suggestion concerned not so much a fire pool as it is a plan or program for fire coverage that might be comparable

with the defense projects rating plan. While the matter was discussed briefly at the last meeting of his insurance advisory board, it is understood to have been dismissed, for the time being.

Mr. Kane emphasized that there is no suggestion that the government go into the fire insurance business, or re-insure fire losses of defense plants, or other fire losses.

Northrup to San Francisco

C. D. Northrup, formerly district manager for General Appraisal at Salt Lake City, has joined Victor E. Roth & Associates, valuation and consulting engineers, at San Francisco. He is a veteran of more than 40 years in the field of controls and cost engineering.

*Does your client
know when he is
Under-Insured?
Over-Insured?*

● Insurance coverage based on Continuous American Appraisal Service prevents hazardous under-insurance and costly over-insurance. Such service expedites equitable loss adjustments as well. In the interest of your client, insist on appraisals by

The **AMERICAN APPRAISAL** Company



Over Fifty Years of Service
OFFICES IN PRINCIPAL CITIES

KNOW YOUR FIRE INSURANCE AND EXTENDED COVERAGE

by
EUGENE E. DEMAREST, LL.B.

A new, up-to-the-minute handbook—authoritative, impartial, concise—tables, forms, clear-cut illustrations—legal references—Thoroughly indexed, easy to read—94 pages of information that answers 99% of the policyholders' questions! It pays to

KNOW YOUR FIRE INSURANCE!
Order now — \$2.00

Canyon Press of New York, Inc.
132 Beekman St., New York 38, N. Y.

The Old Stone Mill at Touro Park in Newport has been a source of debate for over a century. One school of historians credits it with being a vestige of a Norse church built between the twelfth and fifteenth centuries. If this is so, the structure is a remnant of the oldest Christian church in the western hemisphere. Other historians trace its story to the seventeenth century when the first Governor of Rhode Island, Benedict Arnold, was supposed to have built a windmill which he mentions in his will dated 1677. Archaeologists have recently gained permission for scientific excavations around the base of the tower, and whatever conclusions they draw, the Old Stone Tower will continue to be one of the most extraordinary structures on the North American continent.



Our 1952 scenic desk calendar is now available. A copy may be obtained by writing us at the address below.

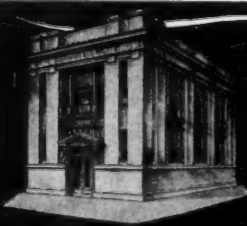


INCORPORATED 1848

PAWTUCKET MUTUAL
FIRE INSURANCE COMPANY
26 MAPLE STREET, PAWTUCKET, RHODE ISLAND

SOUTH AND WATER STS.
BALTIMORE 3, MARYLAND
Phone: L.D. 109

40 EXCHANGE PLACE
NEW YORK 5
Phone: HANover 2-6384



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AND COMPANY, INC.
REINSURANCE
EXCESS AND SURPLUS LINES

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ROBERT VAN IDERSTINE, Vice President

C.P.C.U. Society Meeting Under Way at Chicago

In speaking before the annual meeting and seminar of Society of Chartered Property & Casualty Underwriters at Chicago Wednesday on "The Insurance Legislative Horizon," Roy L. Davis, midwest manager of Assn. of Casualty & Surety Companies, stated:

"It is apparent that the business of insurance is subject to at least as much, if not more governmental regulation, than almost any other comparable business. This has become increasingly true in recent years since the South-eastern decision and the consequences that flowed from it." His paper traced state legislation from special chartered companies through general incorporation statutes and the development of administrative regulation of the business. "It is impossible," Mr. Davis said, "to segregate insurance legislation from court decisions and interpretation by regulatory authorities as we are governed both by laws and by men. All are interwoven."

"Each year there is an increasingly large number of bills, both proposed and enacted, in both the Congress and the states, affecting the insurance business. Between the Supreme Court decisions of *Paul vs. Virginia* and the S.E.U.A., the pattern of state regulation of the business slowly evolved. The greatest impetus came from the latter decision, when rate regulatory laws were enacted in all jurisdictions. Under state supervision," continued Mr. Davis, "insurance has experienced a phenomenal expansion. The public has benefited with constantly broadened coverages, often at less cost."

Progress of Legislation

He pointed out that not all legislation enacted during the past decade emanated from the S.E.U.A. decision. Between 1945 and the present time, all states have adopted the 1943 New York standard fire policy, except Massachusetts where there is still a slight variation, and the states of Minnesota and New Hampshire, where the form has not been approved by statute. Likewise, another legislative cycle was the enactment of multiple line legislation in all jurisdictions except Arizona and Ohio, notwithstanding the war emergency and the enormous demands for coverages.

Another paradoxical situation facing the business is the continuous legislative

demand for compulsory automobile liability insurance. This in spite of the fact that 35 states and Hawaii have enacted the security type safety responsibility law. Paralleling this demand are proposals for unsatisfied judgment funds to fill the so-called gap in the security type laws. Still another proposal on the

distant horizon is labeled "The compensation plan" which provides that every victim of an automobile accident shall be compensated according to a set schedule of benefits, regardless of negligence on the part of either party. "Only Saskatchewan," states Mr. Davis, "has enacted such a law where it is part and parcel of the socialistic philosophy of the Cooperative Commonwealth Federation Party."

"The business of insurance is not only state-regulated but is in competition with governmental agencies at both federal

and state levels. When government competes for business that can be written by private insurers, a very serious situation is created. Eternal vigilance as a price of freedom is no less vital in protecting insurance as a free enterprise than in any other element of our national economy."

Charles D. Van Wormer, **Lewistown, Mont.** agent, has sold his business to Willis Haskell, formerly of the W. R. Davis agency at Great Falls.

The French B. Smith agency at **Mason, O.**, has been sold to Robert R. White.

OCEAN CARGO *Protected*

on a Jungle-lined River in Africa?

YES INDEED! Whether it's palm oil from West Africa, spices from the East Indies, rubber from Malaya, or cotton from Egypt, the Marine Office of America provides sound insurance protection from point of origin to final destination—every step of the way.

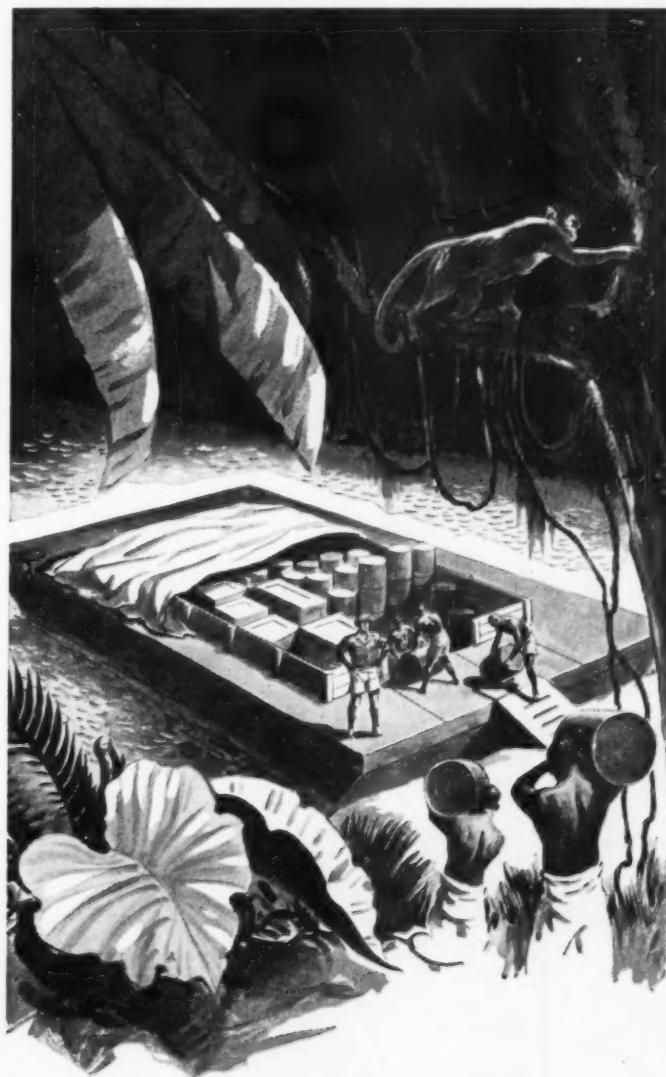
Specialists in Marine Insurance for decades, the Marine Office knows cargos and the perils they face. It tailors your policy to fit your needs!

Whatever your imports or exports may be—and wherever their origin or destination—protect them from loss the sure way—through the Marine Office of America.

SEE YOUR AGENT OR BROKER

To Help You Sell!

This advertisement is appearing currently in national magazines read by businessmen, importers, exporters, manufacturers, bankers, shippers, and freight forwarders—alerting them to the need for sound, dependable Ocean Cargo Insurance—through the Marine Office of America.



MARINE OFFICE OF AMERICA

116 JOHN STREET, NEW YORK 38, NEW YORK

Composed of the Following Companies:

The American Insurance Company • American Eagle Fire Insurance Company • The Continental Insurance Company
Fidelity-Phenix Fire Insurance Company • Firemen's Insurance Company • Glens Falls Insurance Company
The Hanover Fire Insurance Company



WESTERN DEPARTMENT
Insurance Exchange Building
Chicago 4, Illinois

SOUTHERN DEPARTMENT
Nat'l Bank of Commerce Bldg.
New Orleans 12, Louisiana

PACIFIC DEPARTMENT
140 Sansome Street
San Francisco 4, California

NORTHWESTERN DEPARTMENT
Colman Building
Seattle 4, Washington

Offices in Principal Cities

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE



Dr. William B. Howard, associate professor of statistics at University of Idaho, is shown as he was greeted at head office of Northwestern Mutual Fire at Seattle, as he arrived for a period of research and study under insurance company visitation program set up by American Assn. of University Teachers of Insurance. In the center is Alfred Rode, general counsel and vice-chairman of Northwestern Mutual, and at right is Ainsworth Blogg, educational director.

Illinois to Crack Down on Solicitors

(CONTINUED FROM PAGE 1)

voke the license and a revoked or refused license is not renewable for two years. The law provides for criminal penalties which can be imposed as a result of court prosecutions by state's attorneys. There is provision for fines as high as \$1,000 for each offense or imprisonment for not more than one year or both.

Mr. Day said he has never heard of a person violating the agent's and broker's law being fined or imprisoned un-

der this section. Usually when complaints are entered for violations of the law the matter is referred to the insurance department. Usually the person making the complaint is reluctant to let his name be used and right there the possibility of successful enforcement action often must come to an end because there is no way to prove the case.

In one situation the department collected a number of affidavits by way of preparing its case on a complaint and

then in the middle of the preparation a number of complaining parties asked to have their affidavits back.

Many persons are attempting to use the department enforcement procedure to collect a debt or otherwise settle some private controversy. During the past year a company insisted that the department should take action to cancel the license of an agent who was overdue in his balances. The department held a formal hearing and the agent's license was canceled. Whereupon the agent took a court appeal and the next thing Mr. Day was advised that the insurer had made some sort of a settlement with the agent and now was willing to have the department decision set aside. This cost the department several hundred dollars just for a court reporter's services.

It is easy to see how a governmental agency gets big when there is observed the demands which the public makes for free service. In the Illinois department there are handled more than 2,000 written complaints a year relating to claims against insurers and there are thousands of telephone calls besides. The people try to turn the insurance department into a free small claims court. "There is an unfortunate attitude in some circles that insurance companies should pay all claims without argument," he said. "In the casualty field it is entirely proper for a company to follow a cautious policy in connection with the payment of claims. Companies that do so naturally make some people mad — particularly among those who feel that insurance companies have unlimited amounts of money and can pay everything without any cost to anybody. These complaints multiply as against large volume companies and there are rumblings against them. I think it is highly questionable whether state insurance departments should impose upon companies a generous and free-spending claims practice except to insist that there be no illegal methods or deliberate delays."

Cites Important Problems

Mr. Day vouchsafed that the most important problem facing insurance companies today involves maintaining stability in the casualty business in the face of semi-compulsory automobile insurance, hard-to-place risks and the difficulty of reflecting current loss experience trends in dependable statistics. Company failures are hard on the rest of the business and on insurance departments. The casualty business is subject to sudden and unpredictable changes in experience which come about from inflation and other current developments. There are rumors of companies withdrawing entirely from writing automobile lines in certain places. Other companies engage in more selective underwriting. Problems of youthful drivers, greater traffic volume, increased repair costs and other factors, give rise to many complaints that the automobile insurance field is in a state of crisis.

The problem is basic and ultimately is more of a problem of highway safety and law enforcement policy than of insurance. There must be stricter traffic law enforcement and greater willingness to remove from the roads the drivers who are penalizing those who drive with reasonable care.

Compulsory Insurance

The problem of compulsory automobile insurance will face state legislatures in sessions ahead.

Apparently, he said, much of the original opposition to compulsory automobile insurance dates from the time when companies feared it might bring about regulation of automobile insurance rates. Now that practically all states have power to control such rates this type of opposition still goes on. There is also "vague talk" about the danger of a state fund.

Workmen's compensation, he said, has been compulsory for many years and yet there are few monopolistic state funds and no pressure, he said, for a state compensation fund in Illinois. He



Mrs. R. J. Burke, whose husband is with Deans & Homer general agency of Portland, Ore., and J. L. Brandmaier, Northern of New York, Philadelphia, at the grand nest meeting of Blue Goose at Philadelphia.

agrees that a state fund is highly undesirable. Since political parties want to be popular and government is run by political parties, it doesn't get popular by turning people down on claims. He expressed the belief that it has not been proven that compulsory insurance would bring about a state fund. He said all arguments pro and con on this controversial subject must be carefully studied. He said he is looking forward with great interest to the conclusions of the legislative committee in New York. Illinois, he said, has gone a long way toward compulsory insurance. Under the financial responsibility law it is estimated that as high as 85% of the motorists may be covered with liability insurance. Those that do have insurance see very little reason why the other 15% should not have to insure.

Mr. Day said he hopes to avoid coming to the point of telling companies that they have to write certain insurance or have to accept given insured.

The thousands of insurance people in Illinois should be vocal throughout the years on the need for good government when it comes to insurance regulation, he said. Federal regulation is bound to come if state insurance departments in leading states are weak, subject to pressures, poorly staffed and underbudgeted.

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Home Reviews November Storm Lessons

(CONTINUED FROM PAGE 1)

those agents or brokers producing the Long Island business.

The company secured 19 extra women from over the Long Island area where the losses occurred that were to be handled out of the Jamaica office. They proved to be a wonderful crew. They knew the territory because they lived in it, and they knew many of the policyholders. Whenever the subject of the storm, or the losses, or the insurance settlements arose, and one of these extra employees was present, the insurance business and Home had a staunch defender. It was a troubled time when the very size of the catastrophe made patience on all hands necessary.

The 19 extra women were from 45 to 60 years old, responsible and interested. Two girls who were regularly on the Jamaica office loss work acted as supervisors. One extra woman hired turned out to have had 15 years of proof-checking some years before. The 19 acted as sorters and directed the loss papers and inquiries into the proper channels. Altogether the office had 64 extra employees normally not there.

HOUSEKEEPING

Securing quarters for hurricane loss work separate from the regular office and its loss processing was of great value in expediting the job. Additional phones were essential immediately. By dint of considerable effort the company obtained six private lines for the exclusive use of adjusters to make outgoing calls and six others to take care of incoming calls.

Another item that sounds of minor consequence but which proved to be most vital was to secure a substantial extra supply of clips, scales for weighing outgoing mail, stapling machines, in and out baskets and waste baskets. In an operation of this sort, without stapling machines, chaos would have resulted. Stores in Jamaica began rationing rubber bands and clips after a day or two, but the company was able to secure enough.

In the emergency the home office had to make sure that the Jamaica hurricane loss adjusting establishment was adequately stocked with proofs, envelopes, index cards, blank loss notices, blank loss drafts and other things. The home office kept a stock pile of these items ahead so that the emergency equipment would not break down for want of them. The Jamaica office actually used up a three year supply in a few weeks. Along with cardboard filing cabinets, stenographic books and enclosure slips, etc., they were rushed to Jamaica by car. They were too important to trust to the mails. Typewriters were rented locally.

PROCEDURE

The breakdown of the inside work into its several individual parts contributed importantly to the success of the Jamaica office in getting out a very large work load swiftly and correctly. It permitted faster handling than usual by the experienced members of the windstorm loss staff and enabled the company to secure excellent production from the greater number of extra employees many of whom had had little or no experience of this kind.

The procedure was broken down by work items—mail, sorting, distribution of incoming work, and the like, and then at six of the 17 long catering, or picnic, tables, with which the quarters were equipped, was done the checking for mortgage clause, writing of drafts, posting of loss payments, etc. Thus the physical layout reflected the procedural breakdown, an item or a couple of closely related items for each table. What was achieved was continuous line production.

The first table was for receipt and sorting of new mail. Here older, experienced women put the mail in alphabetical order. At the second table, manned by from three to six experienced adjusters familiar with the territory served from the Jamaica office, the mail, consisting mostly of losses, was distributed and correspondence reviewed and distributed.

From No. 2 it was shunted in four directions. At one table were staff adjusters. They got the losses assigned to them. Another was for losses that were to go to General Adjustment Bureau, the loss committee of the New York Board and independent adjusters. A third table was designated "office handled" and to that went losses under \$100 that would be processed or put in process on the spot. At a fourth table inquiries were answered, or additional information requested, almost altogether by form letter. This could be

done because most inquiries and missing information fell into a few patterns.

The other part of the line consisted of six boxes or open wire baskets, each on a separate table and each table staffed by several persons. That was where the actual processing of losses took place after adjustment, a procedure of prime consequence in the loss settlement function and very important to be done properly.

If table No. 2 assigned a loss to a staff adjuster then all papers in connection with that loss were stamped with



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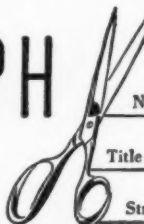
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his name. Requests for further information contained a return envelope with his name on it. If the adjuster left a proof of loss, he left also a self-addressed envelope stamped with his name. Consequently, everything that came in went through to him promptly, unopened. This greatly reduced confusion. On all mail in this special setup was stamped the word "hurricane." This table, the G.A.B.-loss committee-independent adjusters' table and the office handled table represented the four different ways that a proof of loss reached the payment stage.

One problem of handling a vast number of losses quickly is to adjust them according to sound adjustment procedure, in accordance with the property values, the actual loss sustained and the contract. This standard was strictly

maintained in the Jamaica hurricane establishment and especially in connection with "office handled" losses, where the responsibility was entirely on the Home staff.

At the "office handled" desk were competent men who looked over the bill to see if it was okay as to size, whether it was an estimate or an actual proof of loss, and if there were any errors. This desk also dealt with correspondence about losses. If it were simply an estimate of loss contained in a letter, a form letter went out asking for proof of loss with the requisite details. If it were a proof of loss without sufficient information, a form letter went back asking for the additional information. Perhaps it was an estimate of the damage from the broker without a name or address for insured. Perhaps a contractor or builder

sent in a bill with insured's name but no address. The form letters speeded up requests for further information.

On many of the losses that were office handled, the notice came in by letter or some other form stating that estimates were to come. As the office handling desk caught up with its work, it reassigned these cases and cleared them up so that a lot of unfinished small losses did not accumulate.

Whether the loss came in as a proof or a notice, a loss pocket was immediately prepared. One of the most important things in any loss procedure is to get a record. The office had a pink index card with an identical one in yellow, the carbon for the file in the office. The original, pink, was stapled to the loss pocket. Thus the pocket itself did not have to be filled in. This one short cut reduced typing almost in half. All papers dealing with the subject loss were in the pocket and there were no loose papers floating around. Wherever possible the adjuster assigned to the loss was also placed on the record at this point. After this, the loss was passed along to the adjusting staff.

How Records Were Kept

With the claim adjusted, checking, payment and record keeping was still to be done. The items on the index card were broken down into six separate divisions. Each was represented by a box number or basket number and each was handled at a separate table in a group of six tables.

At the first basket the girls checked and typed the drafts, replaced them in the loss pocket and passed the pocket on to basket 2. There the yellow index card in the file was pulled and marked paid, as was the pink card stapled to the pocket. At basket 3 all of the papers that had been accumulated in the loss pocket were separated, the carbons pulled, the draft placed with an enclosure to go to the agent or broker, and other papers arranged for distribution. The material then went to basket 4. Here girls stamped the date the payment was made on the yellow index card, the pink index card and the proof of loss,

the latter for the New York office. The amount of loss was posted.

At basket 5 experienced men, mostly older state agents pulled in from other territories, checked the information and signed the drafts. At this point the yellow index card was refilled. Finally the material went to basket 6 where the draft was placed in an envelope to go to the producer, the supporting papers were prepared for mailing to the home office, and, on losses handled by outside adjusters, the loss expense draft was prepared for mailing to the adjusting offices.

With this kind of an arrangement, work flow could be easily adjusted to fit circumstances. Basket No. 4 might become overloaded—with open baskets this was easy for supervisors to see. Help could be shifted to that table from another where the basket was low, or some other measure taken, such as subdividing No. 4 into two parts, with two baskets, two tables and two staffs.

No one knows when another storm of this or greater magnitude will occur. But companies like Home today have more know-how for meeting it. They have more adjusters; they know where to get more per diem workers, year around. All are better equipped because of their experience with last Nov. 25.

Kerrigan to Stockton Post

Earle B. Kerrigan has been appointed manager at Stockton to succeed F. M. LaVerne, deceased, for General Adjustment Bureau. Mr. Kerrigan started in insurance with Royal in 1921 and in 1924 went with Commercial Union. Four years later he returned to Royal and later was with Pacific National. He at one time was with Jefferson Adjustment Bureau and in 1942 joined G.A.B. Since 1946 he has been at Sacramento.

Albert E. Ossip, vice president of the Dade County (Fla.) Mutual Agents Club, was married to Miss Kathrine F. Wiener of Miami Beach. After a wedding trip to Bermuda, they will make their home at Miami Beach.

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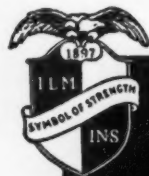
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Pictured at the convention of the Blue Goose at Philadelphia recently — top, left to right: J. E. Miller, Ohio Farmers, Indianapolis; Mrs. J. W. Weddell, Mrs. Miller, and Mr. Weddell, who is with Factory Association at Cleveland.

Center, Stuart Windsor, Riggs-Warfield-Rolosen agency of Baltimore; Mrs. Michael Dakin of Baltimore; Jack Sumner, Cravens, Dargan & Co., Spokane, and Mrs. Ken Carmody, Baltimore. Bottom, O. B. Hunt, Philadelphia adjuster and former Pennsylvania insurance commissioner; Mrs. A. T. Harkness, whose husband is with Northern of New York at Philadelphia, and Mrs. Ross J. Harmon, whose husband is with Home at Springfield, Ill.



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McCarthy Joins A. W. Shell

CINCINNATI—Richard F. McCarthy has joined A. W. Shell & Co. agency as an account executive. He was previously with J. S. Kemper & Co., most recently as a special agent traveling Indiana and Kentucky. Mr. McCarthy entered the marine corps in 1942, following graduation from Harvard. He became an underwriter for the Kemper group at Chicago in 1946 and entered the field in 1949.

Allen of Tenn. Chairman

Allen of Tennessee has now been appointed chairman and Viehmann of Indiana vice-chairman of the fire and marine committee of National Assn. of Insurance Commissioners.

In the committee appointment list released early in August, Mr. Viehmann was the chairman and Mr. Allen the vice-chairman of this committee.

D. C. Department's Top Year

WASHINGTON — Superintendent Jordan's annual report for the fiscal year 1951 shows his department did its biggest business in history. Taxes collected were \$1,823,921.18, compared to \$1,801,488 in fiscal 1950.

During fiscal year 1951 about 6,000 licenses were issued, about 300 more than in 1950.

Phoenix Building Plans

The new building of Phoenix of Hartford is expected to be completed in December or January. It is the third home office erected by Phoenix since 1872.

The new building is shaped roughly like a capital "J," the head running parallel with Woodland street, the body following Asylum avenue, and the tail, containing the assembly hall, turning north again toward Asylum avenue.

New Local in Virginia

Montgomery-Radford (Va.) Assn. of Insurance Agents has been organized. The initial meeting was attended by 18 agents, and by President Walter G. Stephenson and Manager William Day, of the Virginia association.

Officers elected are: Edwin D. Pierce, Christiansburg, president; Leonard L. Brown, Blacksburg, vice-president; and William A. Caldwell, Radford, secretary-treasurer.

New N. Y. Brokers Course

A new course in insurance brokerage, principles and practices will be given at Packard Junior College, New York, starting Sept. 24, under the direction of Philip Gordis, insurance consultant and author.

Others on the faculty include Richard R. Bjorness, manager ocean marine department of Fire Association; Sidney Gaines, senior attorney, New York department; Arthur V. Lynch, Hartford Indemnity, Brooklyn; Angela R. Parisi, assistant corporation counsel and member of insurance committee of Brooklyn Bar Assn.; Davis Quinn, U. S. Guaranty; Samuel B. Strauss, A. & H. manager, Continental Casualty; Roland G. Vogel, ocean marine department Fire Association, and Joseph H. Green, Home Indemnity.

New Building Tenants

Swett & Crawford, underwriting managers and general agents, recently became the third insurance firm to take large space in one of the three, 12-story office buildings under construction by Tishman Realty & Construction Co. on Wilshire boulevard at Los Angeles. S. & C. has been located in both the fourth and fifth floors, comprising a total of 55,000 feet of office and 8,000 feet of basement space.

S. & C. has been located in both the Pacific Finance Building and Roosevelt building in downtown Los Angeles.

Others that have recently taken space in the building are Fireman's Fund,

three floors, and Pacific Indemnity, two floors.

Texas Local Boards Elect

The newly elected officers of Borger (Tex.) Assn. of Insurance Agents are W. H. Hawkins, president; Paul B. Potter, vice-president, and Paul Jones, secretary.

Texarkana Insurance Exchange, L. D. Bell, president, and Ben J. Ellis, secretary (reelected).

Tyler Insurance Exchange, Galvin M. Kay, president, and A. E. Denis, secretary.

Miss Cynthia West Safford, the daughter of Theodore Safford, executive vice-president of A. W. Shell & Co. agency, Cincinnati, married J. Bowling Wills, Bethlehem, Pa. Mr. Wills is the son of F. R. Wills, president of Stuyvesant.

At the first fall meeting of Insurance Club of Minneapolis, Ike Armstrong, director of athletics at University of Minnesota, will talk on Minnesota's football prospects. The program is sponsored by the Fred L. Gray Co.

Bert Stewart, Jr., field secretary for



North British group at the grand nest meeting of Blue Goose at Philadelphia: Mrs. J. G. Parsons, Mr. Parsons, Little Rock; Carl Brandt, manager at Philadelphia, and Mrs. Brandt; Henry Hermann, Pennsylvania Fire, Philadelphia, and Mrs. Hermann.

National Automobile Club, speaks on the subject of public relations before the Willits Rotary Club, Cal., with R. C. Ritchel, a local agent, presiding, Sept. 10; before the Heraldsburg Kiwanis Club, Sept. 12; and before the Santa Rosa Kiwanis Club, Sept. 13.

has entered Firemen's of Newark in Trinidad. The A.I.U. agent in Port-of-Spain is the L. J. Williams Marketing Co.

E. A. Luther, vice-president of National Surety, has been elected treasurer of Chicago Assn. of Credit Men.



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PRESIDENT

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Agents' Service Important, Sometimes Professional

(CONTINUED FROM PAGE 8)

accounts. He is fully aware of his fiduciary capacity as regards company funds and respects the trust placed in him by his company, not giving away to the demands of unreasonable clients.

Another agent describes the proper function of an agent as of a professional nature very similar to that of a lawyer or accountant. The three perform service that differs from that per-

formed by manufacturers, wholesalers, retailers, contractors, and others. It is primarily a personal professional service of analysis and advice.

The only material difference between the three is that lawyers wait for clients to come to them; in insurance, it is ethical to seek clients and even to try to take them away from other practitioners. This is where selling of the service comes in, convincing the prospective client he will be better served by the agent than he is presently being served by someone else, or that he is not being served at all but needs a serv-

ice for which he should be willing to pay, the service being worth what it costs.

The agent's primary service, once he has a client, is that of analysis. Insurance cannot be sold and should not be purchased unless it is needed. It is designed to relieve the purchaser of hazards, perils or risks. The average owner of property here or a person engaged in business is not equipped to recognize all the hazards to which he is subject, any more than he is capable of knowing all the legal pitfalls or tax angles in his activities. He requires the services of

a lawyer to advise him on one, those of an accountant for another, and those of an agent for the third.

The primary service of the agent is that of reviewing the client's property, activities, etc., to determine what perils of loss exist. Next is to present the picture to the client so he can understand it, and then to prescribe the remedy. The prescription of the remedy is the only part of the service which is synonymous with that performed by professional men engaged in the healing arts. They diagnose the trouble or potential trouble, adjust it to agents, and then prescribe a remedy.

Since there are many hazards and many types of prescriptions, that is, policies, to cover those hazards, many overlap and many leave large loopholes, exclusions. Consequently, a further service is to point out all of them to the client and give him a choice, always being certain he understands the implications of his decisions. Here it is necessary for the agent to make recommendations as to which risks the client may afford to carry himself, which he may partially insure and those which he should cover completely. This is gauged, to a large extent, by the financial capacity of the client to pay for protection and by his ability or inability to absorb the impact of losses within certain limits.

Having reached an agreement with the client as to what he needs and what he is willing to purchase, the next step is to tailor-make the contracts to suit the particular circumstances, and not just throw a standardized policy at him. This involves a thorough knowledge of manual rates, rules, policies and endorsements, and of markets. What amendments, deletions, additions, special forms, etc., can be devised to fit the particular circumstances?

Loss Prevention Advice

The loss prevention services an agent performs, such as advising how to prevent or eliminate potential loss, are unlike anything performed by most other business men. Such services entail advice as to improvements in protection of various sorts that will save premium. There is an addition to loss service rendered after the contracts have been completed, consisting largely of advice to the client on his duties when loss occurs and helping him collect that to which he is entitled. It also includes helping the client comply with the requirements of his contracts, especially in the casualty field, such as processing accident and other reports.

In servicing contracts after issuance, the agent must keep in constant touch with the client and his activities since these never remain static, in order to make sure all changes, endorsements, and so on, that are required, are taken care of, contracts cancelled when not needed, new contracts issued to take care of new perils, such as new property, new activities, etc. This also entails watchfulness as to new rules, rates and forms, to make certain that the client has the broadest possible coverage for the lowest possible expenditure. There are other services but the others are collateral; these are the fundamental ones. Some agents lump them all under the name "survey selling," though not many agents do all of these things properly.

One difference between the services of a doctor and a lawyer and those of an agent is that though those two professions do a considerable amount of preventive work, in the main they are called on after a client is in trouble. The agent must perform a large share of his services before the client gets into trouble; in a sense he must foresee the troubles and protect against them in advance.

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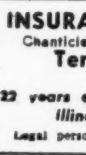
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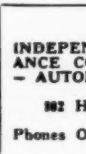


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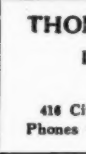
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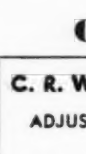
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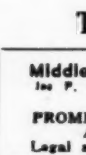
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NEWS OF FIELD MEN

Fire Association Advances Williams, Names 3 in Field

Wallace D. Williams, Jr. special agent for Fire Association in the eastern Massachusetts and Rhode Island field, has been advanced to resident manager at Boston. Mr. Williams has also had field experience in eastern New York and Ohio. His entire business career has been with Fire Association.

Mr. Williams' staff is to be increased by the addition of James F. Devlin as special agent. Mr. Devlin, a graduate of Ursinus, has recently completed the field course of the company's training division.

E. Robert Zenke has been named spe-

cial agent in Connecticut to assist H. G. Griswold. Mr. Zenke is a graduate of Lafayette College and has recently completed the training division field course.

State Agent J. H. Bunten in Iowa is to be assisted by Duane E. Warrick as special agent. Mr. Warrick is a graduate of Lafayette College and since completion of the field course has held underwriting duties in the head office marine department.

Name Wis. P. R. Committee

Wisconsin Fire Underwriters Assn. will hold its quarterly meeting Oct. 1 at Milwaukee.

The public relations committee of the association and Wisconsin Insurance Club, just announced, includes Paul F. Schrage, Aetna Fire, chairman; R. J. O'Neil, New Hampshire, assistant chair-

man; R. G. Mielke, National Fire, speakers; W. J. Meyer, Loyalty group, fire prevention; M. H. Logan, Fireman's Fund, films; W. H. Berry, America Fore, legislation; Eli Shupe, Home, education; T. L. Mulcahy, National, radio and press, and H. L. Mauriston, Fireman's Fund, agents committee chairman.

National Names Hedlund in Ill., Broderick in Kan.

Robert Hedlund has been appointed special agent in Illinois for National Fire group. Mr. Hedlund served with the army. He began his insurance career with another company, and joined National in 1949. He has received comprehensive training in the western department office.

National has named James F. Broderick as casualty special agent for Kansas. Mr. Broderick served in the army, and in 1946 joined National in the cas-

ualty underwriting department at Chicago, where he has had extensive training in all miscellaneous casualty lines.

W. A. Schmuck Added to Mich. Field by L. & L.

Walter A. Schmuck, a seasoned examiner who is especially well acquainted with Michigan situations, is being sent into the Michigan field as special agent for London & Lancashire. He will work with William H. Moeller, state agent for L. & L. in Michigan. Mr. Schmuck has been in the Chicago western department of L. & L. since 1919 and has been the Michigan examiner for many years.

Lightfoot to S. C. Post

State Agent E. R. Lightfoot, who for the past three years has represented Security of Connecticut in Virginia, is being transferred to South Carolina,

French Insurance Group Has Week at Chicago

(CONTINUED FROM PAGE 6)

of Compagnie Generale d'Assurances and of two life companies, Confiance and Patrimoine, said this trip had brought home to him more than ever the fact that the only value of a corporation is the value of its men and of the paramount importance of "man-management."

In technical matters there is relatively little that the United States insurance business can teach its French counterpart, he said.

"We have lawyers, statisticians, mathematicians," he said, "but few men who are trained in 'man-management.'"

The need for this sort of management exists first of all in the field but also in the home office, said Mr. Tattevin.

He said that among the public in France there exists a prejudice against entering the insurance business. This he believes, is largely the fault of the business and is due to poor training of personnel or lack of any training whatever.

Mr. Tattevin is convinced that the visit this group of French insurance executives is making here will greatly accelerate the speed with which American training, selection and recruiting techniques will be applied in France. The entire group, he said, is convinced of their value. The problem will be, however, to convince top management generally in the French insurance business that American training techniques are worth adopting.

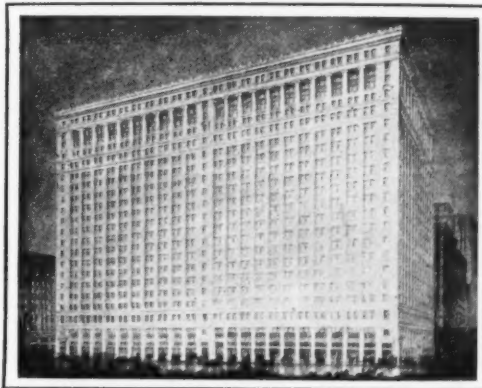
Interpreters Are Functioning

The French insurance experts got at Continental Assurance Tuesday an intensive education in how a life company in a multiple-line setup operates to obtain business through general insurance agencies. All the visitors speak enough English to get around the city without difficulty but absorbing technical insurance talk would have been something else. So as each speaker talked, his remarks were rapidly translated by one of the three interpreters traveling with the group. The interpreter spoke into a hand microphone to the French visitors, who listened through headphones, giving the assemblage the look of a school for radio operators.

The arrangement slowed down the proceedings surprisingly little although it kept the interpreters extremely busy.

Dr. Harry Dingman, vice-president, acted as chairman. Opening speaker was President Roy Tuchbreiter, who welcomed the group.

Dr. Dingman was a particularly appropriate choice for chairman, as he has visited France several times, most recently this summer in the course of a 15-week tour of Europe, Asia and South Africa. Mrs. Dingman, who assisted as hostess at the luncheon, speaks French fluently. A guest at the luncheon was Francois Briere, French consul-general at Chicago.



"IS SPACE AVAILABLE in the Insurance Exchange Building?"

This is usually the first question asked when a leading firm or individual, engaged in insurance or allied lines, seeks a Chicago office. While space in this famous office building, Chicago's largest, has been extremely limited for some years—and still is—nevertheless, the management is prepared to do its best to satisfy the requirements of executives impressed with the value

of this key location. Here tenants enjoy the advantage of immediate personal contacts with other insurance firms and individuals in the building. They enjoy the highest standards of courteous and efficient service and they have the assurance that the other tenants are of a uniformly high character. Complete rental information will be sent promptly on request.

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with headquarters in the Palmetto State Life building, Columbia. Heretofore, South Carolina has been supervised by State Agent M. H. McCown and Special Agent A. P. Carlton who maintain headquarters in Greensboro, N. C.

Martin in Ala. Field Post for Jerome, Cowan

George Martin has become associated with Jerome, Cowan & Mahone, Atlanta managers, as state agent in Alabama, representing Boston, Camden, London Assurance, Manhattan F. & M. and British Underwriters of Scottish Union. Mr. Martin was formerly with the Boykin & Branch general agency of Birmingham.

Start Luncheons Sept. 17

The Blue Goose Luncheon Club of Sioux Falls, S. D. will begin its luncheon series Sept. 17, with the program

in charge of E. W. Beardsley, manager Western Adjustment, and E. W. Smith, general agent.

Hoosier Chairmen Named

Named as committee chairmen of Indiana Fire Underwriters Assn. are: H. W. Montgomery, W. P. Ray & Co., public relations; Carl E. Adams, New York Underwriters, rules and forms; W. U. Baker, Secured F. & M., program; Robert G. Hubbell, Northern of England, fire prevention; Ted G. Van Den Brink, Home, farm; Leslie L. Grove, Home, loss.

The meeting of the executive committee at which these selections were made was attended by Walter G. Dithmer, assistant manager of Western Underwriters Assn.

Doherty to N. Y. Underwriters

New York Underwriters has appointed John F. Doherty as special

agent in the Oregon-Washington territory to succeed Milton W. Cavender, who has resigned.

Mr. Doherty joined Oregon Rating Bureau after graduating from the University of Washington in 1941. He has most recently been special agent in Oregon for Swett & Crawford general agency. His new headquarters will be at Spokane.

France Promoted at Denver, Security Names McCarthy

Security of New Haven has promoted Robert M. France from state agent to manager in Colorado, Wyoming and New Mexico with headquarters in the Gas & Electric building, Denver. Bernard S. McCarthy has been appointed state agent to assist Mr. France in that territory.

Mr. McCarthy attended the University of Colorado and is a graduate of the Aetna Casualty school. He has had wide experience in the insurance business and has served as adjuster, underwriter and special agent. His former connection was with Gulf.

Home Advances C. B. Tarter to Kentucky State Agent

Home has advanced Curtis B. Tarter from special agent to state agent for headquarters at Louisville. He will serve under the supervision of Manager Marshall Mellor.

Mr. Tarter joined the company in 1934 and five years later became state agent of the farm department of Franklin Fire, a former affiliate of Home which was merged into the parent company in 1948. He is an air corps veteran. His father-in-law, G. C. Cundiff, is secretary of the Home farm department at Chicago.



C. B. Tarter

Travelers Names Five New Field Supervisors

Five new field supervisors have been named in fire and marine lines by Travelers. They are Samuel P. Ross, Jr., Peoria, Ill.; Charles W. Kemp, Washington, D. C.; William C. Wagoner, Buffalo, and Peter W. Papenoe, unsigned. Albert H. McMain has been appointed field supervisor for casualty, fire and marine lines at New Orleans.

Ga. Field Men to Meet

Fire Insurance Fieldmen's Club of Georgia will meet at Albany, Sept. 11-12. Activities of the past year will be reviewed and new officers elected.

J. J. Powers, Jr., to Mass.

John J. Powers, Jr., has been added to the field staff of North British & Mercantile in Massachusetts with headquarters at Boston. He has been located at the head office and previously had local agency experience. He is a graduate of Seton Hall College and was in the navy during the last war.

May Change Texas Club Names

A movement has been started by Tom R. Chatfield, Firemen's, president of North Texas Field Club, Dallas, to change the names of the Texas clubs to "Fire Underwriters Association," with the sectional designation. This is more in line with the practice in many states.

Mich. Mutual Agents' Rally

Michigan Assn. of Mutual Insurance Agents will hold its annual meeting Nov. 8-9th at Hotel Morton, Grand Rapids.

NEW YORK

Brooklyn Office of America Fore to Open Sept. 7

America Fore group will open its new Brooklyn branch office at 44 Court street Sept. 7.

The office is under the joint management of Sylvester P. Eisemann, who manages the fire companies, and William J. Culbert, who supervises Fidelity & Casualty.

Mr. Eisemann has been in the Brooklyn territory since 1925 in a managerial capacity for the fire companies of America Fore. Mr. Culbert has been with Fidelity & Casualty in various capacities since 1921 as a field man at Stamford, Conn.

A combined automobile department has also been established at 44 Court street. This department will handle all underwriting, claims and accounting matters. Automobile underwriting will be under the supervision of Fred Schramm, superintendent, and claims work is in charge of John Madigan.

Charles Muller is casualty underwriting superintendent at the new Brooklyn office and Joseph Mettalia is bond underwriting superintendent.

BROOKLYN BROKERS' SPEAKERS

Brooklyn Insurance Brokers Assn. on its Sept. 6 program has Norman C. Frost, manager of the metropolitan department of Home, speaking on the new extended coverage of fire policies, and Donald D. Pillsbury, manager of the burglary department of National Bureau of Casualty Underwriters, discussing the new limited burglary policies.

COURSES BEGIN AT SOCIETY SCHOOL

Fall classes in the regular course for agents and brokers at the school of insurance of Insurance Society of New York began this week. Classes are held Monday, Wednesday and Friday evenings from 6 to 8 o'clock. The course carries a credit of 10 points toward the school's certificate and is acceptable at Columbia University if a student wants to apply for transfer credit as a matriculated student there.

The same course will be given in Westchester, late in September, at the Battle Hill junior high school. Late registrants are still being accepted.

Report I.E.A. Is Considering Truman's Flood Proposal

WASHINGTON — President Truman's proposal for a government flood insurance program, together with the whole problem of flood coverage, is reported subject of a study inaugurated by Insurance Executives Assn.

Insurance observers believe that its findings will have an important bearing on disposition of the Presidential recommendation.

National Assn. of Insurance Agents' property committee has been considering the flood proposal preparatory to its discussion at the Chicago convention.

E. L. Cooper Is Elevated

Earl L. Cooper has been appointed secretary-treasurer of Indiana Farmers Mutual and will have complete management of the company.

Mr. Cooper has been acting secretary of the company. His late father, Harry P. Cooper, Sr., for many years secretary of National Assn. of Mutual Insurance Companies, helped in the founding of Indiana Union Mutual, Farmers Mutual Liability, and Indiana Mutual Haid. A brother, Harry P. Cooper, Jr., who succeeded his father as secretary of the mutual company association, is executive vice-president and general counsel of Indiana Farmers Mutual.

St. Louis Blue Goose will hold a stag outing Sept. 22. Charles A. Rott, Western of Kansas, is in charge.

WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

BUDGET ADMINISTRATOR WANTED

Nationally known casualty insurance company, with home office in small Midwest town, has position for a man experienced in budgetary development and control. Previous experience a necessary qualification, preferably in the field of insurance or finance. An excellent opportunity, liberal insurance and retirement plans plus advantages of small town location. Address G-77, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

Man desires connection with reliable company, where past experience can best be used. Excellent business background, with approximately 20 years production experience in Life, A&H and Hospitalization, both group and individual. At present, sales director for a Texas company, but if job is good enough can locate anywhere. Excellent references. Age 46. Address H-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

OPPORTUNITY

Leading multiple-line company, headquartered in Texas, has opening for LIABILITY CLAIMS SUPERVISOR. Aggressive expansion program creates this new position, which carries responsibility, requires executive as well as professional capability. Home Office or large branch experience in similar position highly desirable. Address G-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois, giving full background information and salary requirement.

AGENCY OPPORTUNITY — CLEVELAND AREA

For experienced insurance man. Fast growing agency getting too large for one man. Part interest for sale. An excellent opportunity for right man. Replies strictly confidential. Address G-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD MAN WANTED

for Minnesota territory by old line multiple writing stock company. Please state age, schooling, experience, marital status. Address G-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

15 years' experience Fire, Marine, Casualty and Bonds as Special Agent, Underwriting Manager, Agency Supervisor. Formal training—Hartford, Conn. Age 39. Salary desired \$6,000. Address G-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

OCEAN MARINE UNDERWRITER INLAND MARINE UNDERWRITER INLAND MARINE LOSS ADJUSTER

For rapidly growing office in Toronto, Canada—Excellent opportunity for qualified individuals—write giving full particulars as to past experience and salary desired—preference given to Canadian citizen. Address H-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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STATISTICIAN FOR LARGE INSURANCE ORGANIZATION IN SOUTHWEST. PREFER MAN NOW WORKING AS ASSISTANT. MAN SELECTED MUST HAVE EXECUTIVE ABILITY. SALARY COMMENSURATE WITH EXPERIENCE. Address H-2, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ARIZONA

Large Agency in fast growing city needs experienced fire and casualty man to handle accounts and develop new business. Adequate salary for comfortable living in sunny Arizona with good opportunity to advance. Address H-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

BUSINESS OPPORTUNITIES

The West's leading writer of auto and truck insurance is entering Illinois and Michigan. We need District Agents in these states. If you have \$4,000 to \$5,000 to open an office and sustain for from 6 to 9 months we can set you up in a profession that will develop into a four figure monthly income.

FARMERS INSURANCE GROUP

141 W. Jackson Blvd., Chicago 4, Illinois
In Chicago Phone HARRISON 7-2159
In Detroit Phone VALLEY 2-3027

AUTOMOBILE UNDERWRITER CLEVELAND

Experienced underwriter needed in a large Branch Office of a Bureau Company. State age, education, experience and salary desired. Address G-81, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Experienced Payroll Auditor for Indiana. Please give age, marital status, education, experience and reference in the first communication. Address G-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

SPECIAL AGENT FOR OHIO
A large New England Mutual fire company desires young man with either field or rating bureau experience. Reply giving all details. All replies treated confidentially. Address G-96, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



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At Blue Goose grand nest convention at Philadelphia: John Bachmann, Robert Knox, Mrs. Carl Freder and Mr. Freder. The men are all with Middle Department Rating Bureau.

Scan Political Skies of N.A.I.A.

On the eve of the convention of National Assn. of Insurance Agents at Chicago, those interested in what might be termed the political aspects of the organization are speculating on the possibilities for election as vice-president, since this determines who shall be president a year hence. James Van Vechten of Akron is due to step up to the presidency this year succeeding Melvin Miller of Fort Worth.

Walter Sheldon Boom

There is said to be a strong movement again in favor of Walter Sheldon, who is vice-president of W. A. Alexander & Co., Chicago. He has been the choice for the past two years of an element that wants greater recognition for the metropolitan agents in the association leadership. If the Sheldon movement does not carry through, then it is expected there will be a big swing towards H. H. Corson of Nashville. Mr. Corson has never been a member of the executive committee, but the tradition that the vice-president shall be selected from among members of that committee was broken last year when Mr. Van Vechten, who had been off the executive committee for a year, was chosen.

John H. Carney of Eau Claire, Wis., is frequently mentioned, but his day may turn out to be a year off rather than next week.

Much Doubt on War Damage Action at This Session

WASHINGTON—Unless more interest is taken in the subject, Senator Frear, chairman of the banking committee war damage subcommittee, indicated legislation on the subject need not be expected at this session of Congress.

Group Series Mapped

Insurance Society of New York will conduct a 15 week course on all phases of group insurance beginning Sept. 19. Classes will be on Wednesday evenings. If registration warrants, a second section of the same course will be started. Lecturers are Norman M. Cortz, of the Elmer G. Leterman Co., and Carl E.

Parsons, home office group representative of U. S. Life.

Clark Hawaii President

Ralph E. Clark, president of Home of Hawaii, was elected president of Board of Underwriters of Hawaii at the annual meeting. James Y. T. Leong is vice-president; Harry G. Albright, secretary.

Gilbert W. Root of the Cooke Trust Co., outgoing president reviewed the board's work in the fields of fire, traffic and industrial safety, educational activities and services volunteered in connection with the territory's insurance and safety survey of governmental properties.

Attending the meeting were presidents of neighbor island insurance associations including J. D. Jenkins, General Insurance Assn. of Maui; Harold R. Warner, General Insurance Assn. of Hawaii; and D. W. Cunningham, General Insurance Assn. of Kauai.

Francis Fujioka of Bishop Insurance Agency won the board's golf tournament at Oahu Country Club, with a low net score of 62. The trophy was presented to Mr. Fujioka by Mr. Clark at the dinner following the tournament.

Charles L. Day, secretary of the western department of North British at the home office, marked his 25th year of service and from western department personnel received an inscribed desk pen set with an onyx base. Department field men presented him with a portable radio.

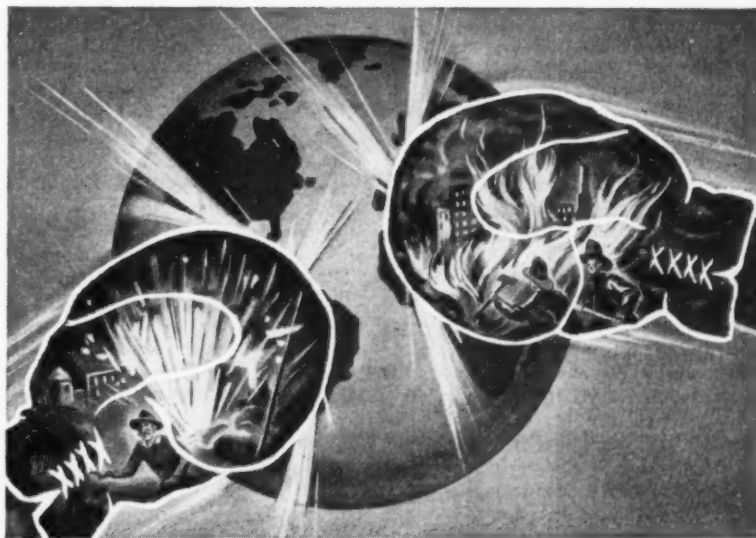
Mr. Day was guest at a luncheon attended by Assistant U. S. Managers Nolen and Magenheimer, general counsel McLoughlin, and General Agent Moore of the western department.

The cabin cruiser that exploded in Burnham Harbor at Chicago last Friday while aflame and adrift came within a few feet of the "Jandeled," that boat that constitutes the summer home of E. D. Lawson, vice-president and western manager of Fireman's Fund. Mrs. Lawson was alone on the "Jandeled" at the time and was shaken by what she saw and the close shave that she had. Fred Huntman, who was going out on the ship that was lost to compensate the compass, went overboard after the explosion and was drowned. Mrs. Lawson was able to tell the authorities where to search for the body.

Mrs. George J. Valentine, Philadelphia; Mrs. Dwight D. Montgomery, LeRoy, O.; Mrs. John Heyman, West Plains, N. Y., and Mrs. A. L. Hanigan, Philadelphia, wives of Ohio Farmers officials at the Blue Goose meeting at Philadelphia.



INTERNATIONAL ONE-TWO PUNCH... Countered by AFIA!



LUCKLESS NIGHT for an American firm! A fire guts its Bordeaux plant—then an explosion rocks its business in La Paz . . . In a few hours, a pair of triphammer blows bring heavy loss of property, machinery, and goods. Liability claims are in the offing too.

Lucky day for this same American firm—the day it obtained its foreign protection through American Foreign Insurance Association! For despite involvement of great distances, foreign tongues, different currencies, foreign laws—both losses are quickly investigated and

settled. Solvency is preserved!

You can gain that same skilled protection for business concerns in your community through AFIA as easily as you handle a domestic risk. AFIA's experience provides protection that "fits" precisely—no gaps, no overlaps—protection that accords fully with the laws of countries where your assured's interests lie.

In leading business publications AFIA is currently telling American business about these advantages. Why not let the firms near you know that you can handle their foreign insurance needs—through AFIA?



AMERICAN FOREIGN INSURANCE ASSOCIATION

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SERVING THE WORLD-WIDE OPERATIONS OF ITS MEMBER COMPANIES, AND THEIR ASSURED

EDITORIAL COMMENT

Benefits of Cross-Fertilization

Occasionally the fire and casualty business is charged with being insular. Its management is almost wholly composed of men who grew up in the business, in the vast majority of cases within the same company or group. There has been little if any infusion of new blood from other businesses. Some believe benefit would result from a cross-fertilization of ideas, particularly in respect to management practices. Also, they believe the business might become better and more accurately understood if there were increased interchange of various kinds.

There is evidence that the fire and casualty business is perfectly willing to detail its functions and viewpoints to outsiders. One example is its support of the two programs under which fellowships are granted to teachers of economics and insurance. Several professors have spent a part of the summer studying insurance company operations, under these fellowships.

The comments of one of them, a professor of marketing, after several weeks in a large company organization, are interesting. He was impressed by the size, complexity and character of the insurance business. He does not think many outside the business itself (and some in it) realize that it is one of the first half dozen businesses of the country in size and economic consequence.

Another thing that impressed the professor was the soundness of the agency system—the representation of several good companies that give the agency a variety of facilities and a foundation of strength. It might seem that insurance is all alike, that what one company offers is almost identical with what another company provides. On paper this may be true, but he had already delved far enough into the business to discover that in its delivery insurance differs a lot, company to company.

The professor was especially in-

terested in an example of skill on the part of a special agent. In studying the way in which insurance is marketed, he had gone to an agency, and it was through the agent rather than the company that he learned how much value a good special agent has, both for the agent and for the public the agent serves. It was obvious to him that one of the effective ways in which a company has successfully competed with other companies was the field man. A good one, of course, has much to do with the shaping of company policy as that policy is reflected through the agent to the public. This particular special agent, he noted, tried to do things for the agent, rather than trying not to do them; his mind was on ways and means of delivering insurance wherever possible, and delivering it in a way that would prove the most satisfactory for the agent and his customers.

In the process of learning about insurance, the professor was noting some things for discussion with the president, at the latter's invitation, that might prove suggestive to the insurer. For example, as one who had long observed practices in other fields, he thought he noted something of a lack of second depth management personnel.

Interchanges of this kind unquestionably are good for the fire and casualty insurance business. Certainly teachers of insurance and economics will go back to their lecture rooms with a good deal clearer picture of the insurance business and perhaps an even more accurate one, and the discussions of insurance will be considerably more meaningful after first hand observation of this kind. Thus more people are going to get a sounder view of the business than heretofore. The reaction of these teachers, either in the form of questions or suggestions, may have the effect of pointing up certain areas in which the insurance companies themselves could be strengthened.

Capacity for Greater Service

Occasionally the question arises, why is not more fidelity coverage sold, or purchased? It is an excellent protection, and those in this field not only recognize but frequently discuss their conviction that a great many more businesses should purchase it than do, perhaps five times as many.

The principal difficulty seems to be in selling the small business man, particularly the small merchant who, with

limited reserves, needs it especially to guard against the dissolution of his enterprise. His business is particularly vulnerable to mortality by way of concealed drain-off of assets through embezzlement. He needs it a good deal more than the large, well reserved business.

It is difficult to convince the small merchant that he needs a fidelity bond, that a loss could possibly occur unless

the risk is beyond his control, for example a truck driver or branch operation. When his business grows to that point, he begins to worry. But even here, he wants a bond on an individual, say the truck driver, or a limited operation, say the branch.

His conviction that those persons directly under his supervision could not possibly steal his assets, first because he has selected them and second because he has established the safeguards, is tangled up with his pride in his business acumen and general ability. In a sense, the agent must unsell him on himself somewhat before he can be sold. His confidence must be shaken.

There are thousands and thousands of small stores with one or half a dozen employees that never have had a bond. Some in this field believe that the business needs a small fidelity package of protection that can be sold at a lower figure than is the case today. It should be something like the comprehensive personal liability that sells for \$10; over on the business side, perhaps they could sell a small fidelity package for \$25. If this kind of fidelity were available at some such price, and if its introduction were followed by some real sales effort maintained for a time, a great deal of business might result. Whether this belief is justified, only experience would tell.

The fidelity business has no difficulty placing bonds with those businesses and institutions compelled to buy by law or supervision, such as banks, insurance companies and similar fiduciary institutions. Another large buyer is the well managed corporation where policymaking executives feel their trustee responsibility to directors and stockholders. Then there are the businesses that experience losses all the time, organizations with outside men who handle merchandise or money, tobacco or drugs,

bakeries, milk companies, and others of that type.

Investigation of employees has always been strongly promoted by the fidelity business as a feature of substantial value to the business man who buys a fidelity bond. This will always be true, but as a practical matter the lack of investigation, except possibly on an occasional, sampling basis, would not be an argument against a small, inexpensive package policy for the vast number of small business men who do not now buy fidelity protection of any kind. Since 1941 fewer employees under fidelity bonds have been investigated, in proportion to the total covered, than was the case prior to that time. Some insured, of course, buy the fidelity bond to get the investigation services of the surety company and the beneficial influence on the whole employe staff of such investigation. On the other hand, in the case of some insured, the insurer insists upon investigations because it is apprehensive.

The decline in these investigations is partly due to the shortage of personnel and the rising cost of making such investigations. They will unquestionably remain an important part of what the fidelity business offers the public. As businesses grow and become better managed, as the amount of paper work and checking imposed on businesses increases—by way of social security, tax withholding, etc.—there is perhaps less need for the full investigation of all employees that the fidelity business used to apply. This paper work has forced businesses to investigate and keep more extensive records on their own employees. Consequently management knows more about employees in the regular course of business than it did formerly.

The fidelity field is equipped by background, experience, intelligent manpower, and understanding of how to do a vital job for the economy, to handle successfully a great deal more business than it is getting today.

PERSONAL SIDE OF THE BUSINESS

D. Murray Stewart, head of Aero Associates, New York, and Mrs. Stewart flew to Europe last week for a three-week business trip. The Stewarts will visit in London and Paris.

C. Reid Cloon, vice-president and manager at Chicago, has marked 30 years with R. B. Jones & Sons. Mr. Cloon joined the agency at Kansas City as a clerk in 1921 after graduation from the University of Kansas.

James B. Thomas, Jr., whose father is assistant secretary of National Union Fire, is graduating at University of Pittsburgh Sept. 7 and is being married Sept. 14 to Shirley McCall, daughter of Mr. and Mrs. Russell McCall of

Pittsburgh. He has been in the R.O.T.C. and will shortly take up his duties with the air force. He has been working in his spare hours for American Automobile at Pittsburgh.

The marketing properties and equipment of Deep Rock Oil Corp. in the Milwaukee area have been sold to **Walter J. Schroeder**, who is, among other things, head of the Chris Schroeder & Son agency of that city. He will operate as the Schroeder Oil Co.

Andrew Roux, general manager of Assurances Generales Accidents of Paris is making a Canadian and U. S. visit. He has been in Montreal and Sept. 9-17 he is scheduled to make a New

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY



Published by THE NATIONAL UNDERWRITER CO., PUBLICATION OFFICE, 175 W. Jackson Blvd., Chicago 4, Ill., SUBSCRIPTION DEPT., 420 E. Fourth St., Cincinnati 2 Ohio
EDITORIAL DEPARTMENT: Managing Editor: Levering Cartwright, News Editor: F. A. Post, Associate Editor: R. B. Mitchell, Assistant Editors: Richard J. Thain, John C. Burridge.
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September 6, 1951

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York visit. This is the parent company of General Security Assurance, the U. S. reinsurance company of which H. Marshall Robertson is president.

John Montgomery, newly appointed assistant secretary in the Pacific Coast department of Travelers Fire, started with that company in 1938. After training in the southern, western and the engineering departments, in 1940, he was stationed at Minneapolis. The next year he returned to the head office and was assigned to the marine department. In 1947 he was promoted to underwriter. He is a graduate of Brown and was a navy lieutenant in the last war. He was a member of the faculty of Hartford College of Insurance for three years.

Thomas Watters, Jr., New York City attorney, is chairman of the committee on war claims of the section on international and comparative law of the insurance section of the American Bar Assn.

J. M. Hutch, assistant U. S. manager of Norwich Union, will sail Sept. 21 on the Queen Elizabeth for England on his first visit there. He will be gone a month.

Chas. K. Leslie, Jr., assistant actuary in the casualty division of the Texas department, has become a grandfather with the birth of a son to his daughter, Mrs. Harrell W. Tate, San Antonio.

Charles Somers, newly appointed Oklahoma state agent for Superior of Dallas, heretofore has been with Traders & General. He was in charge for a time of the service office at Kansas City and more recently has been in the agency department at the Dallas head office.

R. A. Mead of Peoria, Ill., has been appointed general chairman for the annual convention of National Assn. of Mutual Insurance Agents, Oct 17-19, at Chicago.

Texas Fire Rates May Be Reduced for 28 Classes

AUSTIN—Fire rate changes will become effective Oct. 1 on 28 classes in Texas, according to an advance announcement of Commissioner Brown. Dwellings, farm properties and mercantile risks are included in the list. The announcement carries no intimation of the new rates to be charged, but the consensus in the business is that lower rates will be fixed for most classes.

According to Mr. Brown, the advance announcement is an "experiment being tried out for the benefit of the agents in writing their October renewals, and for the convenience of the public in getting the effective rate immediately; also to eliminate the necessity of adding endorsements to policies affected by these changes." He cautioned against any attempt to manipulate policies so as to take advantage of the amendment changes.

Charge Agent Practices Law

Thomas E. Cavanaugh, local agent at Bay City, Mich., has been accused in circuit court there of contempt of court on the ground that he has been guilty of unauthorized practice of law. It is the second such charge brought against Cavanaugh within five years.

Bay County Bar Assn. filed the petition, citing Cavanaugh's alleged action in drawing up a land contract for a client in 1948. Judge Leibbrand set a show-cause hearing for Sept. 10.

Cavanaugh was found guilty in 1946 of having prepared a warranty deed in a real estate transaction. In the current case, it is alleged that he drafted another land contract, collecting a fee for his service.

DEATHS

ASA H. NUCKOLLS, 70, formerly chemical engineer of Underwriters Laboratories, died at his home near Wheaton, Ill. Recognized internationally as a foremost authority in his field, Mr. Nuckolls participated in numerous investigations of fires and explosions, and many times was called upon to testify as an expert witness in court cases. He attended Ouachita College in Arkansas and later studied at Massachusetts Institute of Technology. He joined Underwriters Laboratories in 1906, and as chemical engineer, he directed the operations of the chemical department until his official retirement in 1946. For the succeeding four years he served as consultant and engaged also in professional consultant work on fire and explosion problems.

Mr. Nuckolls served on many technical committees.

WILLIAM J. VEACH, 79, local agent at East St. Louis, Ill., for more than 30 years, died of heart disease. He was long active in East St. Louis politics, serving as clerk of the courts and finance commissioner there. A son, William J. Veach, Jr., was associated with him in the agency.

DONALD D. PATRICK, manager of U. S. F. & G. at Syracuse, N. Y., died suddenly at his summer home.

GEORGE F. DUERR, 66, retired Minnesota state agent of Providence Washington who was extremely active in insurance organizational affairs, died at Minneapolis. Starting in the business in 1903 with the Gorham Braden general agency at Minneapolis, Mr. Duerr was named special agent of the George V. B. Hill general agency there in 1909. He became an examiner with Minneapolis F. & M. in 1916 and two years later went with Fire Association at Chicago in a similar capacity. He joined Providence Washington in 1920. His insurance organization activities included service as president of Minnesota Fire Underwriters Assn., president of Insurance Club of Minneapolis and most loyal gander of Minnesota Blue Goose.

STEPHEN BURGHER, 64, manager of the improved risks and public utilities departments of New England Fire Insurance Rating Assn., died after a three-month illness. He graduated at M. I. T. and in 1910 went with New England Underwriters Bureau.

JOHN J. GORMAN, 48, who operated an insurance business at Washington, D. C., for years until his retirement on account of ill health 18 months ago, died. He was a member of the D. C. Bar Assn.

GEORGE D. BUNTING, 52, assistant manager of the Washington office of General Adjustment Bureau, died. Earlier this year he completed 25 years with the bureau. Since 1925 he has been stationed at Salisbury, Md., and at Washington.

J. M. SHOWALTER, 62, who was in the insurance business for 22 years at Sioux City, Ia., before transferring to Portland, Ore., six years ago, died at Lake Tahoe, Cal. He was there to conduct a school of instruction for insurance agents. He was a graduate of Nebraska Wesleyan university, was principal of the Beatrice, Neb., high school and superintendent of the Norfolk school in 1916-17.

JAMES GREENSTONE, formerly associated with his brother, Sam A. Greenstone in the Greenstone agency at Sioux City, Ia., died at Lincoln, Neb., after a long illness.

GREEN H. LANGSTON, 82, father of Shelby P. Langston of Langston & Co., Miami, died at Highlands, N. C. He was 82 years old.

GEORGE L. REYNOLDS, 57, adjuster of Coral Gables, Fla., died suddenly. He had lived in the Miami area since 1910.

CHESTER F. SMITH, 45, general agent at Nashville for Merchants & Business Men's Mutual Fire for 14 years, died following a heart attack.

SAMUEL W. PAULETT, JR., 83, one of the first local agents at Farmville, Va., died at Southside hospital there.

RULE OF THUMB

Carpenters and tailors started it — using their thumbs as a rough measure for an inch. Today a rule of thumb is any handy guide for approximate measure where speed is more important than accuracy.

As an agent you are keenly aware that in insurance there can be no rule of thumb. Speed can neither be substituted nor sacrificed for accuracy. That's why thousands of agents and brokers rely on Hanover and Fulton for fast service, intelligent cooperation, and experienced advice. We're proud of our reputation for doing it fast and getting it right.

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FDIC Director Says Too Many Banks Still Weak in Cover

Federal Agency's Authority to Compel Carrying Insurance Is Cited

Too many banks are still carrying inadequate surety coverage even at the reasonable rates prevailing today, according to H. Earl Cook, director of Federal Deposit Insurance Corp., who addressed the school of banking at University of Wisconsin on the subject of "Strengthening the Banking System in Prosperity."

FDIC, he said, is empowered by law to require all insured banks to maintain adequate fidelity coverage. FDIC is authorized to require a bank that refuses to provide such coverage, to purchase this insurance and to add its cost to the deposit insurance assessments of the bank. So far, he said, however, FDIC has preferred not to use this authority. Instead it has cooperated with state and federal bank supervisory authorities in an attempt to convince banks of the wisdom of full insurance protection against all types of losses. The results of these efforts during the past 10 years have been gratifying but there are still too many banks that are not adequately insured.

Two Principal Safeguards

Mr. Cook said that the principal safeguards against irregularities and peculations are a well organized audit control designed to discourage employees from taking chances and ample fidelity coverage to take care of possible losses. Also, he said, it is desirable occasionally to rotate bookkeepers and other key employees who have access to the accounting records. In this way irregularities and other manipulations are more likely to be prevented as well as discovered. Also, every bank employee should be required to take an annual vacation of at least two weeks. Many cases of stealing have been exposed during the vacation season. The motives of those bank people who say they cannot possibly leave the bank for even a short vacation, need to be investigated.

"Regardless of what precautions are taken or how good bank audits might be," he declared, "there will still be a certain number of employees who will invent ingenious ways of appropriating bank funds. To guard against this possibility it is strongly recommended that every bank provide fidelity coverage in an amount at least equal to the scheduled recommendation of the American Bankers Assn."

Defalcations to Blame

Of the 416 banks that became involved in financial difficulty from 1933 through mid-1951, 29% of the failures was attributable directly to defalcations, and these were contributing cause of failures in many other banks. Of the 26 banks that required the financial assistance of FDIC during the past eight years, 20 were forced into difficulties directly because of defalcations. In several of the other banks, defalcations were discovered when the books were thoroughly examined.

Another measure of the extent of human frailty is contained in examiners' reports of irregularities found in banks, he said. From the enactment

Insurance Shares Show Good Gains; Outlook Ahead

By SHELBY CULLOM DAVIS

Shelby Cullom Davis & Co.
110 William St., New York City

The potency of insurance shares recently has exceeded the hopes of their fondest admirers. Gains of 10% and even 15% during the past weeks have not been uncommon. For the first time in 18 months insurance shares have been out-performing the general market, challenging even the inflation-hedge oils.

Three principal reasons explain this turn about: 1) Insurance shares had become fundamentally cheap and literally "cried out" to be bought. Assets could be purchased at discounts of 25% from liquidating value for "prime names" and 40-50% for countless good quality issues. With the general market nudging 20-year highs, such discounts were absurd. 2) Underwriting earnings were expected to improve during the last half of 1951.

Earnings Should Improve

The Thanksgiving hurricane cast a blight not only upon the last half of 1950 but, because of large loss carryovers, upon the first half of this year. Fire earnings therefore should improve, particularly with nation-wide fire losses recently running slightly below a year ago. Casualty earnings should be aided by the rate increases in auto liability and property damage which, even if insufficient to bring the lines out of the red, are nevertheless bound to be helpful. And 3) fears of a drastic inflation had begun to subside, thus rekindling investor confidence in groups, such as insurance shares, which have been hurt by inflation and which had therefore lagged behind the general market since the Korean outbreak.

The persuasiveness of these three reasons still maintains. Insurance shares are not quite as cheap but undoubtedly a long-term undervaluation continues to exist. The earnings outlook should improve in the second half, barring unexpected developments. The big question mark now has become inflation once more.

During the early part of the summer I called upon banks and insurance companies in more than 20 cities in the east and middle west. Everywhere I found signs of heavy inventories at retail, wholesale and manufacturing levels. Cars were selling slowly. New home

of the banking act of 1935 through December, 1950, the FDIC legal department forwarded to U. S. attorneys a total of 2,017 reports on irregularities in insured non-member banks that were thought to constitute violations of federal criminal statutes. These irregularities embraced embezzlements, abstractions, wilful misapplications of the banks' monies, funds or credits, false entries, larceny, check kiting, etc.

Among the measures suggested by Mr. Cook for minimizing the effects of human frailty, was that every bank should provide its employees with "shock-absorbers" against the more common financial emergencies that are likely to overtake salaried people. These would include such things as group health, accident and life insurance, group hospitalization and retirement plans. The health, accident and hospitalization protection should be provided for the entire family. This can be carried at very reasonable rates, especially when the cost is shared by the bank and the employees. Relief from financial problems will improve the efficiency and morale of employees and remove some of the common causes of stealing.

"starts" were lower. Deflation of a mild variety, the sort that would have been particularly helpful to insurance companies, hurt by the time lag in adjusting their rates to the inflation, seemed in the wind.

Pointers Toward More Inflation

Now the weather vane seems to be turning again. The stock market, the renewed rise in commercial loans and, above all and no doubt the causative force, the heavy increase in government spending, have pointed toward inflation again. Even if of the creeping variety, inflation is to the casualty business what extended coverage (in 1944 and 1950) was to fire—a catastrophe of unparalleled proportions.

Fire rates lag even further than casualty rates but it is the lag in adjustments that is casualty's Achilles heel. In the large claim reserve the casualty companies are in a sense "short" the inflation. Every jump upwards of the price level in effect gnaws at the surplus of the casualty companies because sooner or later they have found they must raise their claim reserves commensurately. By contrast claim settlements in fire are speedy and the claim reserves small.

Furthermore the casualty companies are not aided by a rising stock market to the same extent as the fire companies. Because of statutory requirements and large claim reserves, far less of surplus is invested in common stocks. Actually, and with the advantage of hind sight, it would have been better for the casualty companies to have been less conservative. It has been the bond market which has fallen, not the stock market. The increase in surplus caused by rising stock prices might have offset the rise in claim reserves caused by the inflation.

More FR Laws

The dilemma of the casualty companies has been augmented by the increase in the number of financial responsibility laws in the states as well as by the recent auto rate increases. Premium volume seems certain to rise in these lines as well as in workmen's compensation due to heavier payrolls. Will the capital and surplus of the casualty companies be sufficient or will they be forced to go to their stockholders for more money? The advent of multiple-line underwriting, with additional capital requirements for these lines, has further aggravated the problem.

It can probably be stated unequivocally that no insurance executive wants to go to his stockholders for new funds at this time.

Casualty shareholders might be found unresponsive for their shares have been behind the market parade for some time nor have they participated in the liberal dividend extras of industry. Their patience has as yet been unrewarded. Furthermore the discounts from liquidating value in casualty are still extremely wide and of the 30-40% variety. To stockholders unable to subscribe to new stock, such an offering would represent a severe dilution of their equity.

On the other hand the companies can not reduce premium volume without bringing down upon their heads the wrath of not only their own agents and brokers but supervisory authorities on whom the pressure of disgruntled policyholders would be severe. It is out of such situations that state funds grow—and the business certainly does not wish to encourage them.

Fortunately the situation while serious, is not yet critical. An examination of such mid-year figures as are available reveals, with only one exception, no sub-

(CONTINUED ON PAGE 40)

Some Hope as Auto B.I. Losses Hold, Rate Rises Flow

Feeling of Panic Lessens

Although Nothing Approaching Optimism Found

NEW YORK—Although figures for all companies are not yet in, the indications are that second quarter experience on automobile bodily injury liability will show little or no improvement over the first quarter. The figures for some companies are worse, those for others are better. However, the change either way was apparently not marked.

It is perhaps for this reason, plus the fact that the automobile bodily injury underwriters now are beginning to get some increases in premium as a result of rate rises, that there is currently in the automobile field an undertone of improved feeling. No one is optimistic. Close observers think the rates for property damage are not yet high enough—the experience there in the second quarter as compared with the first apparently showed more of a deterioration than on the bodily injury side. The experience on physical damage is growing worse, and the automobile people think that rate increases on that side are imperative.

What improvement in outlook there has been comes from the belief that if there is not a sudden and excessive spurt in inflation between now and this time next year when companies will have secured a major proportion of the benefit from this year's rate increases, automobile bodily injury could move from the red to the black, and that account stop losing money. There are a lot of ifs in this prognostication, and the automobile underwriters know it. But at least they are on the road to a brighter day, no matter how fraught with dangers that highway is.

The automobile company that is now taking more automobile business, over and above the increase represented by rate rises, is being very cautious about additional commitments, particularly where such insured have been turned loose by insurers that have pulled in their horns in various territories. However, the very fact that some companies, and there are some, today are insuring more automobiles than they were a year ago indicates the conviction of these underwriters that the insurance business is going to have to live with the automobile line.

Auto insurance is not something that they can run away from today and run toward tomorrow. They have to stay with it and solve its problems, in the first place because that is what they are in business to do—provide coverage, and in the second place because it is such a large line that the failure of the whole business to handle it successfully would probably be enough to put a blight on the whole business, forever.

Underwriters are high in their praise for the discernment of supervisory authorities who so promptly recognized the emergency nature of the situation and okayed rate increases on the casualty side. However, they hinted this has to be done on the property damage and physical damage lines, that there is no justification in these times for letting the automobile account get as far out of gear as it has been in recent months.

Elimination of Schedule P Is Zone 6 Subject

Commissioners at Seattle Will Discuss Proposal of Pacific Northwest People

At the Zone 6 meeting of National Assn. of Insurance Commissioners at Seattle, Sept. 10-11, one of the big subjects promises to be discussion of a proposal to eliminate schedule P from the casualty annual statement blank. A number of the casualty companies in the Pacific northwest are advocating this. It is a perennial subject, but attention seems to be focusing on it in a serious way just now. Those recommending its abolition say that it distorts the financial picture, that it con-

stitutes a big bugaboo and is largely meaningless.

In schedule P the companies are required to reserve an amount equivalent to 60% of their automobile bodily injury premiums and 65% of their workmen's compensation premiums. It is a time-honored rule-of-the-thumb test of the adequacy of loss reserves. Its critics want nothing introduced to take its place. They simply want to go on a straight cash basis for loss reserves.

There is a big obstacle, however, to elimination of schedule P, even if there should be overwhelming sentiment in favor of doing away with it on the part of the companies and the commissioners, and that is the fact that there are some 16 states that require schedule P accounting by statute. Thus, if schedule P were done away with by action of N.A.I.C., there still could not be nationwide uniformity in the annual statements until these 16 states had removed reference to this provision from their statutes.

A group of employees and officers of Hartford Accident attended a dinner at East Hartford to honor Philip W. Bonthron, who retired Sept. 1 as an assistant secretary. He has been with Hartford Accident since 1934 and retired on the advice of his physician.

Auto FR Bill Is Passed in Ala.

A house bill creating a new safety responsibility law was passed by the Alabama senate Aug. 31, just four days before adjournment. This bill, introduced by Adams of Jefferson county, is a comprehensive safety responsibility law very much like the one that became effective in Georgia July 1, 1951, and which is used in several other states. Only the signature of Governor Persons is necessary to make it effective Jan. 1, 1952, and he has previously indicated that he would sign such an act.

It is estimated that only about 25% of the cars in Alabama are insured now, and it is expected that the percentage might jump as high as 85%. This would mean a premium income increase on this class from about \$6 million to probably \$25 million.

Freedom Program at Wichita

Wichita Assn. of Insurance Agents will hold a joint luncheon meeting Sept. 13 with Wichita Sales Executives Assn. for a "Freedom" program. Marc Benjamin of R. L. Benjamin & Son is program chairman.

Grange Mutual Claims Chief Denies Charges

Charles Haaf, claims supervisor of Grange Mutual Casualty Co. of Columbus, categorically denies charges made by an insurgent group of Ohio State Grange members that he had received a percentage from automobile repair bills paid by the insurance company.

"I emphatically deny the charges that I accepted a percentage from garage bills paid by the Grange Mutual Casualty Company. I shall look into the conditions under which a purported affidavit was obtained and I shall expect the persons who sent letters throughout the state, and who gave out press releases, to retract these charges or prove them," Mr. Haaf said. "I am not so much concerned about myself as I am about the Grange Mutual Casualty Co. and the fraternity itself, which deserve protection from damaging statements and insinuations made by this small disgruntled group which apparently is willing to stoop to character assassination to accomplish its selfish ends, based upon the unsupported statement of a single garage operator whose employment by the insurance company was discontinued by me to his great disappointment."

Ralph O. Brown of Hoytville, O., is one of the leaders of the insurgent group. They have been citing an affidavit by Johnnie Davis, owner of Johnnies Garage, 1189 North 4th street, Columbus, dated Sept. 1, 1948, stating that on five repair bills which are enumerated he paid Charles Haaf 10% in cash of each total bill "from my own pocket after the repair was made."

Charles Haaf is the son of John C. Haaf, who is president of Grange Mutual Casualty.

New Responsibility Law Goes into Effect in Utah

The model safety responsibility law passed by Utah's 1951 legislature became effective Sept. 1. The new law repealed the old financial responsibility law. It is being administered by a new department of public safety. Joseph W. Dudler, also superintendent of highway patrol, is safety commissioner. He named George W. Miller, attorney of Beaver, Utah, as administrator of the responsibility law. Commissioner Dudler has spearheaded an education program on the requirements of the new law and the duties of drivers on Utah highways.

Utah's law varies only in two particulars from the model law in force in about 35 other states. In Utah, only the operator of a vehicle comes under the law. The owner, unless he is the operator, is not affected. The provision in many states that the convicted drunken driver, drivers leaving the scene of an accident, and reckless drivers who are convicted also come under the law, whether or not they cause injuries or \$100 or more property damage, was not included in Utah.

M. C. Yost Joins Assn. of Cas. & Surety Companies

M. C. Yost has been named educational director of the accident prevention department of Assn. of Casualty & Surety Companies to succeed Marland K. Strasser, who is now field representative in the association's San Francisco office.

For 21 years Mr. Yost has been a teacher in the Lancaster, Pa., schools, specializing in driver education in recent years. He is president of Pennsylvania Driver Education Teachers Assn. He received his bachelor's degree in education at Gettysburg College and a master's degree from Pennsylvania State College. He has been associated with Penn State's extension division as an instructor in visual materials this year.

HIGH SPOTS IN HISTORY



NEW ROUTE TO INDIA

An early event of interest in North Dakota was in 1742 when Sieur de la Verendrye explored the state while searching for a river leading to the Pacific Ocean.

18: NORTH DAKOTA



FIRST SETTLEMENT IN STATE

First settlement in North Dakota was made at Pembina by the Scotch and Irish sent from Canada in 1812.



BEGINNING OF DEVELOPMENT

The real beginning of the development of the state began when the railroads were built. The Northern Pacific Railroad built between the years 1864 and 1881 added a lot to the development.

ALSO A HIGH SPOT

. . . in many insurance agents' careers is when they join Hawkeye-Security and Industrial's great team.

They build volume because always they get the best in home office co-operation.

Comprehensive coverages . . . prompt settlements and every home office assistance build sales.

HAWKEYE-SECURITY INSURANCE CO.
INDUSTRIAL INSURANCE CO.

Des Moines, Iowa



New Manpower Pays Off...



"Five weeks at the Aetna's Sales Course taught my son modern techniques that have meant better service for our clients . . . bigger volume for our agency"

"Through 21 years of steady work, I had built a volume topping \$100,000. Naturally, I was delighted when my son told me he wanted to join my agency after graduating from Syracuse University in 1948 — but I hardly looked for miracles. I expected that for some time to come his main value would be in freeing me from detail and taking over some of our smaller accounts.

"After five weeks at the Aetna's Home Office Casualty and Surety Sales Course, however, he had very different ideas. With a thorough knowledge of the most modern forms of coverage, survey selling and prospecting techniques, he almost immediately made it possible to give our clients even better service than before and to gain important new accounts.

"Today — after just 3 years — our volume has jumped better than 65%. Thanks to Aetna's Sales Course training, young Louis is well launched on a successful career. And, frankly, I'm not working half as hard as I used to, either."



LOUIS FOLLIS, SR.

Follis Insurance Agency
New Haven, Conn.



LOUIS FOLLIS, JR.

AETNA CASUALTY AND SURETY COMPANY

The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection

LIFE AND CASUALTY

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Aetna Casualty and Surety Company

Hartford 15



Connecticut

FIRE AND MARINE

Automobile Insurance Company
Standard Fire Insurance Company



PURCHASER COMPARES

Big Profits vs. Big Losses in Auto

A reader calls attention to a report made by the Federal Trade Commission in which are given the 1940 and 1950 rates of profits in several industries in a broad automotive category. Against these, he contrasts automobile bodily injury and property damage results for

the same years:

	1940	1950
Industry		
Motor Vehicles.....	17.3%	31.7%
Motor Vehicle Equipment...	16.1%	20.7%
Tires and Inner Tubes...	09.0%	17.1%
Petroleum Refining	06.7%	14.3%
Steel Works, Rolling Mills,		
Blast Furnaces	08.1%	14.9%
Flat Glass, Glassware...	11.7%	21.1%
Auto B.I. and P.D.L. Ins.	03.1%	01.4%

The figures, except the two relating to auto B.I. and P.D.L. insurance, are taken from F.T.C.'s report on "Rates of Return from 520 Identical Companies in 25 Selected Manufacturing In-

dustries." The two insurance figures are from the casualty expense exhibit.

The insurance figures are not exactly comparable with the others because the insurance figures show ratios of profit or loss to total premiums earned whereas the other figures show ratios of profits to stockholders' investments. But that doesn't lessen the force of the contrast because the 1.4% rate of loss on the insurance would be a higher ratio if it were based upon stockholders' investments in the stock casualty insurers rather than upon the total premiums earned by those companies.

Something Radically Wrong

Obviously, something is radically wrong somewhere when, in the generally most profitable year in the financial and economic history of the United States, and when all other industries directly or indirectly concerned with "automotion" were sharing in that general prosperity, the automobile bodily-injury and property-damage liability insurance industry distinguished itself by winding up with an alarming loss.

As a purchaser of auto liability, the reader notes that in 1950 he paid no more for his insurance than he did in 1940. He thinks he paid a little less. He did pay in 1950 very much more than in 1940 not only for an automobile but also for everything else that pertains to it.

Seems Screwy to Purchaser

Ordinarily, no purchaser is enthusiastic in agitating for a substantial increase in the price of anything he has to buy. But to this purchaser it seems screwy that in 1950 an automobile should cost just about twice what a comparable car cost in 1940 and yet the liability insurance on that car should not cost a bit more, maybe even a little bit less.

It is true that in attempting to get adequate prices for their products automobile manufacturers do not have to cope with any of the obstacles and handicaps that confront auto liability insurance rate-makers. The motor vehicle commissioners of the various states do not tell automobile manufacturers how much they can charge for cars in the way in which insurance commissioners of the states tell automobile insurers how much they can charge for insurance. And there are no eager beavers in the automobile manufacturing industry busily engaged in organizing automobile manufacturing companies on the mutual or reciprocal plan for the purpose of making cars available to the public at pure cost of production, or maybe even at less-than-cost, by trying to squeeze all profit factors out

of prices. In many other ways the price fixing process in the automobile manufacturing industry is altogether different from its counterpart in the automobile insurance business.

But, although pressures on insurance rates from outside the insurance world may go a long way toward accounting for inadequacies of various insurance rates, it sometimes seems that there is an unnecessarily timid and apologetic attitude within insurance itself toward the charging of sufficiently high prices. Apparently, if premiums for auto B.I. and P.D.L. were today about 50% higher than the corresponding premiums in 1940, the net underwriting result would today be fairly satisfactory instead of being catastrophically bad. There seem to be no sound reasons for contending that present day premiums shouldn't be about 50% more than they were in 1940, whereas there are quite a few reasons for admitting that they should be.

Roads, Cities and Rates

Though many spokesmen for automobile manufacturing corporations have delivered vigorous tirades against governments doing much more than routine police work, it is nevertheless, a fact that virtually from its inception the automobile manufacturing industry has been dependent upon governments. Governments have constructed and maintained the roads and highways and streets upon which the automobiles ground out by the manufacturers could operate.

Most large metropolitan areas seem to be reaching a point at which it is physically impossible for governments to create sufficient road-space and street-space to furnish elbow room for all the cars that roll off the assembly lines in the automobile manufacturing plants. The automotive traffic congestion in various big metropolitan centers seems to be getting steadily worse by a sort of geometrical progression. Maybe that is one of the main difficulties confronting the writers of automobile liability insurance, — particularly those whose volumes are made up mostly of insurance provided for residents in metropolitan centers. But, regardless of whether or not all are headed toward an eventual automobile tangle nobody will be able to unravel, it seems that efforts to get substantial increases at this time in all automobile bodily-injury and property-damage liability rates couldn't possibly do anybody any real harm.

Rhode Island "Comp" Rates Are Reduced 3.4%

Commissioner Bisson of Rhode Island has ordered a 3.4% reduction in workmen's compensation rates effective Sept. 1. He said that 1.8% of this decrease comes from improved experience and the balance from the suspension of payments into the second injury fund. The legislature authorized withdrawal of the second injury fund levy until the fund falls below \$100,000. Currently it exceeds \$500,000.

National Council on Compensation Insurance, an advisory organization in Rhode Island, was unaware when it compiled its statistics for the rate filing that the security fund had reached its goal of \$500,000. This made it unnecessary to include in the rate filing a factor to continue building the fund. When Mr. Bisson found the factor in the filing he ordered it stricken and the rate reduced accordingly. The council would have done this had it known that the fund had reached the desired size. There is no dispute between the commissioner and insurers.

Pierce Kalamazoo Chief

William A. Pierce has been elected president of Kalamazoo Assn. of Insurance Agents succeeding Frank Kavanaugh. Other new officers are. Vice-president, Knox Wicks; secretary, Richard Early, Jr.; treasurer, Charles Garrett, Jr.



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Amazing New

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One policy takes the place of many . . . and at low cost. The buyer simply makes a list of the different kinds of benefits he needs, and the amount of each. A single policy is written to exactly fit his requirements. Wide choice of benefits. Write for complete information.

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OF OMAHA

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Mutual Benefit Health & Accident Association, Omaha, Nebraska



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CASUALTY COMPANY

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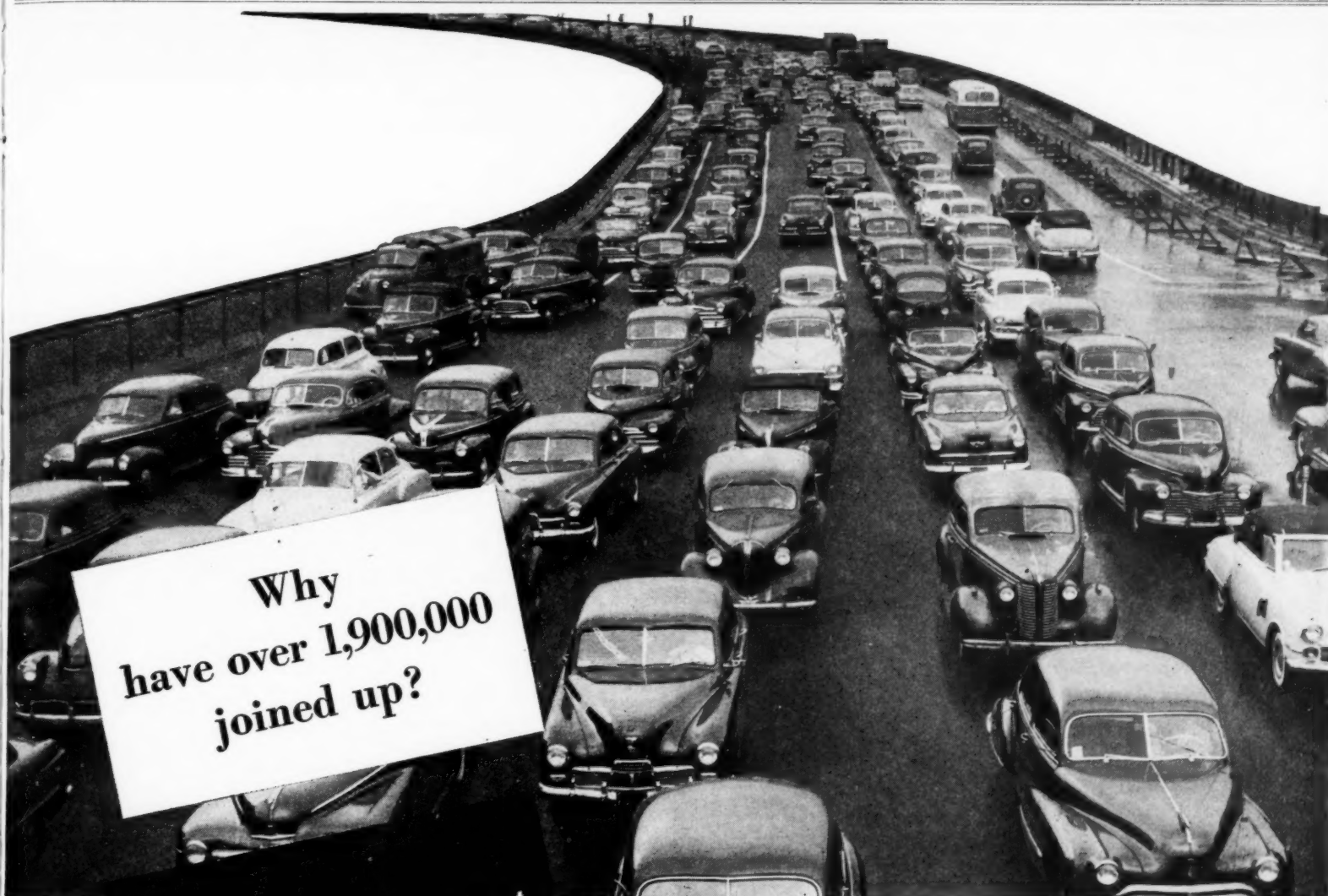
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Why
have over 1,900,000
joined up?

What's so different about
State Farm Mutual?

Many car owners do, of course, insure with the State Farm Mutual Automobile Insurance Company because it's a well established organization. There is a sense of security that comes from doing business with a company known for financial soundness and the integrity of its management.

But equally important to automobile owners is State Farm Mutual's unique combination of 4 operating practices—plus fair, efficient claim settlements.

4 operating practices that keep rates low

First, the single selling cost, pioneered by State Farm Mutual. Instead of paying a selling cost every time they renew their insurance, State Farm Mutual members pay

this cost once, and only once—at the time their policy is taken out. This enables them to make continuing savings on the cost of automobile insurance.

The other three practices are: issuing a *single policy*, kept in force by convenient, semi-annual payments, low rates based on the record of State Farm Mutual's own *selected-risk drivers*, and the fact that State Farm is a mutual company, *sharing savings* with all members, in the form of low rates.

A claim paid every 15 seconds

Recently State Farm Mutual paid its 5 millionth claim in its 29 years. More than 700 claim department employees, in strategically located claims offices coast to coast, work closely with State Farm's more than 6,500 agents—pay, on the average, one claim every 15 seconds of the working day!

Financial strength

At June 30, 1951, State Farm Mutual's 1,927,323 policies in force were protected by assets of more than \$158,000,000 and surplus of over \$68,000,000.

State Farm Insurance Companies

State Farm Mutual Automobile Insurance Company
State Farm Life Insurance Company
State Farm Fire and Casualty Company



Home office—Bloomington, Illinois • Western office—Berkeley, California • North Central office—St. Paul, Minnesota • Canadian office—Toronto, Ontario
West Central office—Lincoln, Nebraska • Michigan office—Marshall, Michigan

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ACCIDENT AND HEALTH

Agents Group Prepares New A. & H. Sales Course

International Assn. of A. & H. Underwriters has completed an A. & H. sales education course which will be made available shortly to all persons interested in A. & H. selling problems. The course is entitled "disability insurance sales course," and its introduction is current with the entrance of a number of life companies into the A. & H. field.

The editor is Bert Hedges, Kansas manager of Business Men's Assurance, Wichita, assisted by J. D. Westra, North American Life & Casualty, Madison; Charles Ray, Hoosier Casualty, Indianapolis; Gerry Ramsey, Olympic National Life, Seattle, and Roy A. MacDonald, Health & Accident Underwriters Conference.

Before the course is made available locally, a pilot course for training of instructors has been tentatively arranged with the University of Illinois to be given at Champaign in December.

Survey Shows 17 Million Have Own Hospital Cover

More than 17 million persons were insured for hospital expense under individual policies of private insurance companies at the end of 1950, according to the annual survey which has just been completed by the insurance department of the U. S. Chamber of Commerce. This represents an increase of almost 3 million or 20% over the preceding year.

The figures include only persons insured individually by private insurance companies, and not through Blue Cross and Blue Shield plans, mutual benefit associations, salary continuance plans, union method plans and other methods of voluntary coverage.

There were 2,714,000 persons insured against medical expense under individual policies of private companies, the report showed. This was an increase of 364,000 or 15.5% over the preceding year.

Completed questionnaires from 257 insurance companies and fraternal societies, representing 88% of the total premium income from individual policies issued in the United States, were returned in the survey. Data for companies not reporting were estimated from published reports of premium income.

N. Y. Advisory Board Meet

The advisory board on A. & H. insurance examinations for New York state will hold its fall meeting Sept. 13 at New York City. J. F. Follmann, Jr., general manager of Bureau of A. & H. Underwriters, is chairman of the board. The meeting will take place at the bureau's offices.

Officers will be elected. John F. Lydon, Ocean Accident, is now vice-chairman of the board. Deputy Superintendent Walter F. Brooks represents the New York department.

19 Complete Purdue Course

A class of 19 students representing 13 states and Canada, was graduated from the 12th A. & H. short course held at Purdue University last month.

Co-sponsored by Purdue and International Assn. of A. & H. Underwriters, the course was instructed by William A. Buchanan, Taylor Publishing Co. Plans are underway to have another session at approximately the same time next year.

The opening talk was given by Chet Elson, Mutual Benefit H. & A., Indianapolis, president of Indiana Assn. of A. & H. Underwriters, on "What the A. & H. Business Means to Me." C. C. Inman, executive vice-president of Illinois Mutual Casualty, spoke on "The Need for A. & H. Insurance" at the closing session.

The program included lectures by staff members of the Purdue University life insurance marketing institute.

New A.&H. Rules in N. C., Maximum Rate Lowered

RALEIGH—Complying with an act of the 1951 North Carolina legislature, Commissioner Cheek has issued new rules for writing A. & H. insurance in connection with loans, and also announced that the maximum rate for each \$5 of monthly A. & H. benefits has been reduced from \$3.50 to \$3.30. The new rules require companies to mail the borrower policies or certificates setting forth the amount of the premium, the kinds of insurance and the scope of the coverage.

The new rate is based largely on the judgment of companies writing A. & H. in connection with loans. In the future companies will be required to keep experience data which will form a basis for rate-making. Rate charts will be approved each year.

The department has adopted regulations limiting life insurance sold with loans by industrial loan agencies to the amount and term of the loan and putting a \$100 a month ceiling on the benefits of A. & H. sold with loans, and also limiting the monthly benefits to the amount of the loan and the life of the policy to the loan term.

Utah A. & H. Assn. Elects

Hugh Tuttle, vice-president and agency director of Commercial Travelers of Salt Lake City, has been elected president of Utah A. & H. Assn. He succeeds Raymond R. Ross, Equitable Life & Casualty. Joseph L. Henroid, Security Life & Accident, was elected vice-president, and Jack R. Richards, Mutual Benefit H. & A., secretary.

The new president was host to more than 100 A. & H. men at a barbecue and musical program at his home.

Warns of "Medical Services"

Commissioner Maloney of California has issued a warning that unlicensed and unregulated medical "services" salesmen are operating throughout the state. He cautioned all residents to be wary of these "high-pressure" and "fly-by-night" groups, "whose activities skirt on the fringes of the law and whose contracts are drawn in such a way that they are illusory."

"In addition, investigation discloses that their salesmen have been guilty of the grossest types of misrepresentation. Most of their victims believe that they are purchasing A. & H. insurance, only to be bitterly disillusioned at the very time of disability and need."

CHANGES

Amer. Surety Names Maehle Resident V.-P., Ups Tillotson

J. L. Maehle, manager at Chicago of American Surety since 1919, has been promoted to resident vice-president there. R. H. Tillotson succeeds Mr. Maehle and H. T. Helton continues as assistant manager.

Mr. Maehle, who has spent all of his insurance career with American Surety at Chicago, started with the company in 1909 as office attorney. He was advanced to assistant manager in 1919. Active in insurance organization activities, Mr. Maehle is a past president of both Assn. of Casualty & Surety Managers of Chicago and Surety Underwriters Assn. of Chicago. He is a member of the Illinois bar.

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pany for more than 20 years with experience both in underwriting and production. He has been assistant manager of the New York City metropolitan branch.

Mr. Helton, who has long experience in casualty underwriting and production, has been assistant manager since 1949.

Seven Named to Field Posts by Travelers

Travelers has appointed seven new field supervisors in casualty, fidelity and surety lines.

Donald K. Durfee has been appointed field supervisor at Providence; Thomas E. Strange at Louisville, and R. Ned Brooks at South Bend, Ind. Field supervisors unassigned include: Raymond J. Reed, John R. Turner, H. Robert Karl, Jr. and Terrence E. Olson.

H. H. Carasik Promoted by Ocean Accident

Howard H. Carasik has been appointed agency supervisor in the central department at Chicago of Ocean Accident. He has been a special agent for that company and earlier was in the local agency business. He has the C.P.C.U. designation.

Compton Is Promoted

Frank W. Compton has been elected assistant secretary of American Motorists. He joined the Kemper organization in 1935, and since 1949 has specialized in developing large industrial and commercial business. He attended commerce school of University of Pennsylvania and Northwestern University.

American Mutual Liability has appointed George N. Farnham sales manager and Richard C. Fisher claim manager at Madison, Wis. Before joining American Mutual in 1945 at Milwaukee Mr. Farnham was with Wisconsin Compensation Rating Bureau 10 years. Mr. Fisher joined American Mutual in 1946 as claim representative at Milwaukee.

SURETY

County Clerk at Detroit Rues Low Bond Amount

In connection with the alleged embezzlement of \$3,700 of funds of Wayne county, Michigan, by a clerk in the office of the clerk of the county, County Clerk Branigin stated that he, personally, would have to make good the amount of the shortage over and beyond what can be recovered on the fidelity bond. The county clerk is bonded for \$150,000 as clerk of the circuit court and for an additional \$2,000 as county clerk. The larger bond is carried with Ohio Casualty.

There are 90 employees in the county clerk's office of whom 60 are deputies, and these are bonded for \$1,000 each. These bonds together with the clerk's \$2,000 bond are carried by Lumbermen's Mutual Casualty. The amount of the bond on each deputy is fixed by the county clerk and the board of county auditors. They meet and agree.

Audit Aid Manual Ready

A manual, "Audit Aid for Small and Moderate-Sized Banks," is being distributed as a public service by Surety Assn. of America to every bank in the U. S.

The manual was originally prepared by Roy F. Buchman, chief auditor of Mellon National Bank & Trust Co., Pittsburgh, for a recent series of correspondent bank conferences. Its value as basic audit guidance was recognized by National Assn. of Bank Auditors & Comptrollers, and with the cooperation of that organization permission was secured by Surety Assn. to reprint it for

nationwide distribution. The distribution was effected with the cooperation of the insurance and protective committee of American Bankers Assn.

Adequate audit controls are generally recognized as an important aspect of bank operations and present no unusual problem for the larger bank which is able to employ at least one full-time

auditor. In smaller banks, however, the question is not so easily resolved, and the procedures outlined in the manual present a realistic approach to this problem. The manual is of interest to the larger banks as well, because of the requirements of their correspondent banks in the small or moderate-sized groups. Banks and those concerned with bank

auditing may secure additional copies from the educational department of Surety Assn.

J. E. Hanson, executive vice-president of Hardware Mutual of Minneapolis, has purchased a 258-acre farm near Red Wing, Minn., which was the first farm in the country to be electrified.

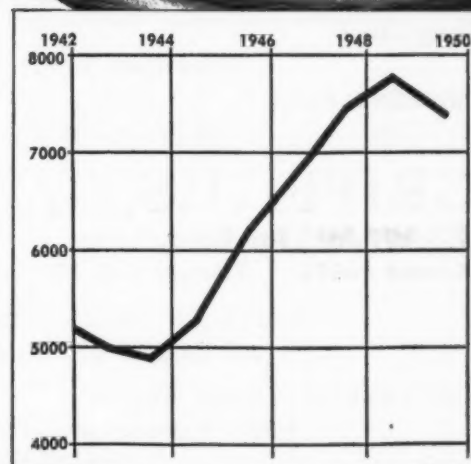
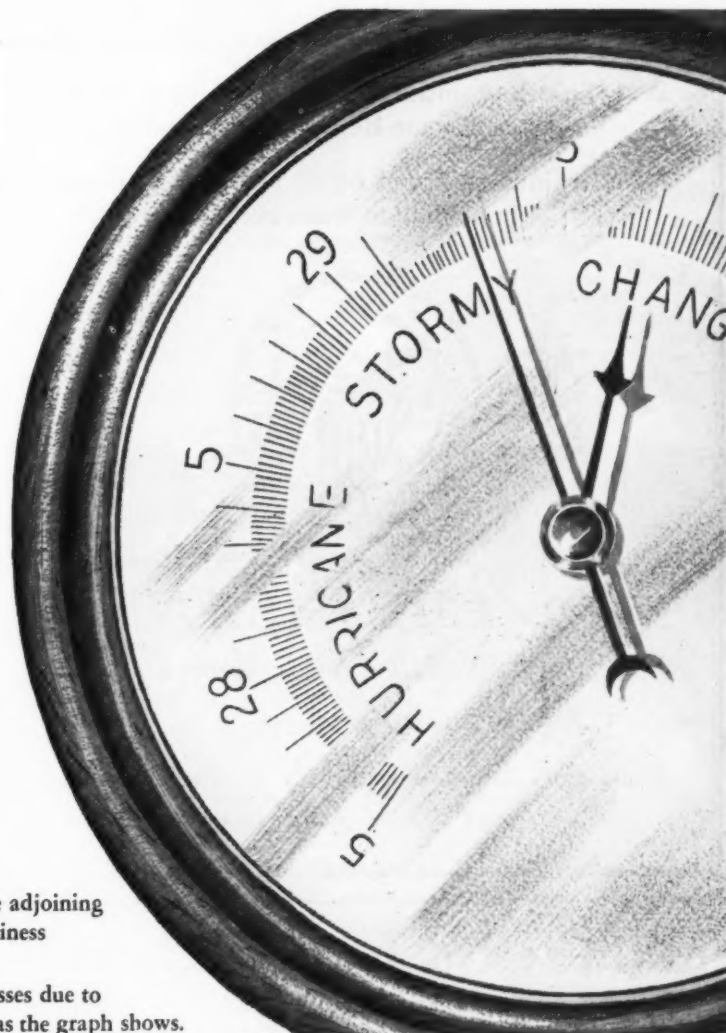
Danger sign!

When the barometer drops fast . . . trouble's coming. And if you'll read the adjoining graph, you'll see a danger sign every business man should know about.

After World War II, the discovery of losses due to employee dishonesty shot up drastically, as the graph shows. In these times of inflation, manpower shortages and many other business problems, it is safe to predict that millions of dollars of losses are taking place now, which will not be discovered until after the current crisis is over.

To be protected against these losses, the business man must have Honesty Insurance in force now and continue it in force. Then when losses are uncovered in the future, he will be adequately protected.

National Surety Blanket Honesty Insurance gives you complete protection against employee dishonesty. Ask your agent or broker about it today.



How Honesty Insurance Losses Rise After Wartime.

NATIONAL SURETY CORPORATION
4 Albany Street, New York



Bribery Indictment Is Cravey's Latest Move in War on Bankers L. & C.

ATLANTA — Latest move in Commissioner Cravey's efforts to oust Bankers Life & Casualty from Georgia is an indictment in the state court charging two Bankers L. & C. officials with bribing a Georgia insurance department employee.

Those indicted are C. F. Brunsnighan,

a vice-president and director of Bankers, and James A. Ross, an Atlanta agent of Bankers. Solicitor General Webb said extradition papers are being prepared to bring Mr. Brunsnighan to Atlanta.

Mr. Brunsnighan and Mr. Ross are accused of paying \$500 to Mrs. Jenny Salomon, record clerk and stenographer in the Georgia department and offering her a \$325 lifetime job for obtaining certain "confidential state records." Webb praised Mrs. Salomon. He said she had gone through with the alleged

deal "solely to obtain necessary evidence for prosecution."

BRUNSNIHAN COMMENTS

When asked for a comment, Mr. Brunsnighan said: "I regret that no attempt was made to obtain from me the true story. A knowledge of the background is necessary to understand the action taken by the commissioner of insurance against me. For some months my company has had differences of opinion with the commissioner concerning the legality and propriety of certain of his actions. As a result, the relations between the company and the commissioner deteriorated to a point where it was considered necessary to bring him into the civil courts for a judicial determination. We feel that we had a legal right to question his actions, and we think it is most unfortunate that the commissioner has allowed personal animus and prejudice to obscure a calm and just consideration of the issues involved."

"In my judgment, this rash action by the commissioner in conceiving and initiating such a preposterous melodrama, has been done with the hope that by this means he will, in some manner, bring justification to his capricious, arbitrary and irresponsible actions. All that the grand jury heard was a complete distortion of facts, as will be disclosed upon a trial before a court and jury."

Weigh Idea of Doubling Warsaw Convention Limits

At the meeting of the legal committee of International Civil Aviation Organization to be held at Madrid, Spain, commencing Sept. 11, one of the matters to be considered will be increasing the limit of liability as an airline for death or injury of a passenger. Under the so-called Warsaw convention, which applies to international flights and which has been accepted by more than 40 nations, the limit is \$8,291. There is a proposal that this amount be doubled.

Auto Liability Rates Are Hiked 10 to 15% in Kansas

Commissioner Sullivan of Kansas has approved automobile liability rate increases proposed by National Bureau of Casualty Underwriters.

The new rates provide for flat increases of 10% for private passenger B.I., 15% for private passenger P.D.L., no change for commercial B.I. and 12% for commercial P.D.L.

Commissioner Sullivan stated that the rates were approved as an emergency measure. Although in agreement with use of trend factors in establishing rates,

he said he felt that too great an emphasis was placed on overall trend data at this time and an adequate appraisal of classes and territories contributing to the trend and local conditions was not accomplished and injected into the proposal.

Because of this, he said, the original bureau proposal was adjusted to reflect the adverse trend and at the same time maintain rates in Kansas which are reasonable and adequate based on past and prospective loss experience both within and outside Kansas.

F. W. Evans to Prudential A. & H. Underwriting Post

Francis W. Evans, formerly chief underwriter for Paul Revere Life, has been appointed assistant director of underwriting for Prudential's recently formed sickness and accident department.

Mr. Evans joined Paul Revere in 1939 as an A. & H. claim examiner. Subsequently, he served the company at New York City and San Francisco before going to the home office in 1946.

Tenn. Auto Rate Change

NEW YORK—National Bureau of Casualty Underwriters announces this week new automobile rates for Tennessee as approved by Commissioner Allen. There are increases in B.I. and P.D.L. for all classifications of private passenger cars. P.D.L. rates for commercial vehicles have increased, with no change on B.I. coverage.

The new private passenger car rates are up 20% for B.I. and 30% for P.D.L. except in three rural territories where the increases are 10% and 20% respectively. For commercial cars, the property damage rates were increased 30% except in three rural territories where the increase was 20%.

Defer Amer. F. & C. Hearing

WASHINGTON — At request of counsel for the company, Superintendent Jordan postponed from Sept. 5 to 17 the hearing on his notice to show cause why the license of American Fidelity & Casualty should not be suspended or revoked, or other appropriate action taken. Charges made by the superintendent involve Market Service, affiliate of A. F. & C.

Sponsor N.A.I.A. Courses

King County Insurance Assn. will sponsor N.A.I.A. introductory and standard classes at Edison Technical School, Seattle. Courses will commence the week of Oct. 1 and continue to next May.



"IT JUST SO HAPPENS THAT I DID HAVE MY HAND OUT. I WAS WAVING TO MRS. GRUBER."

Multiple line underwriting calls for a review
of your Reinsurance requirements.

Our trained staff can be of valuable assistance
in helping to work out your problems.



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Insurance Hazards in Radioactive Wastes Possible

The possibility of public exposure to radiation from radioactive wastes in the new atomic age is "an ever-present danger" which is being given increased attention by insurance safety engineers, Assn. of Casualty & Surety Companies said in a special report reviewing methods of disposing of radioactive materials in industrial wastes.

While the atomic energy commission exercises rigid control over highly radioactive wastes from plants producing isotopes, which are placed in concrete-filled coffins and buried at sea or deep in the earth, to prevent dangerous exposures, the disposal of relatively weaker wastes from hospitals, laboratories and some industrial plants using radioisotopes, in research, "tracer" experiments and medical treatment is "only loosely supervised now and is not directly under the jurisdiction of the A.E.C.," according to the special hazards committee of the association's accident prevention department.

The strict control exercised by the A.E.C. over the disposal of wastes at production plant installations makes exposures unlikely there, the report says in discussing the insurance aspects of injury or death from tissue destruction by radioactive materials in wastes. But, it adds, hazardous exposures may occur among isotope users who are not strictly controlled now, and they should be advised of proper disposal methods and inspected carefully by insurance safety engineers when workmen's compensation, bodily injury or property damage forms of public liability insurance, and boiler-machinery insurance are involved.

Compensation, Liability Hazards

Workmen's compensation coverage might be affected by exposure of workmen to radiation hazards during actual disposal operations, the committee pointed out. Monitoring devices, exposure meters and protective equipment should be used by workers. Particular care should be exercised, it warned, when plumbing fixtures or sewage lines, carrying even properly diluted radioactive wastes to main sewers for disposal, are repaired or replaced and when disposal equipment is cleaned or repaired.

In discussing the effect of radioactive waste disposal on public liability bodily injury coverage, the special hazards committee said: "The possibility of public exposure to radiation from radioactive wastes is an ever-present danger. Discharge to the atmosphere, to streams, to sewage treatment plants or burial on land or at sea must be rigidly controlled to prevent exposure of the public to harmful concentrations of radiation from radiation contaminated air, drinking water supplies and bathing beaches. Workers in sewage treatment plants which receive radioactive wastes from many hospitals and laboratories may be exposed to harmful concentrations of radiation in carrying out routine operations of the plant.

"There seems to be good reason to believe that the radioactive materials will concentrate in the sewage solids. These solids may be treated and then sold as fertilizer to farmers. Vegetables raised on such farms and fish from contaminated streams and lakes may be consumed by the public with deleterious effects."

Property Damage Possible

Exposures under public liability property damage should not be overlooked, the report added, and may occur through contact of property with water or air contaminated with radioactive materials. Buildings, pumps, gardens and farms were cited as examples of property that may become contaminated. Potable water wells, livestock watering places and bathing beaches might be rendered unfit for further use with

consequent loss of property value, and equipment at water purification plants and sewage treatment plants may become contaminated.

"There is also a slight possibility," this section points out, that an entire drinking water supply of a municipality might be contaminated to a point where it would be dangerous to continue its use.

There is a "remote possibility" that in cases where waters contaminated with radioactive materials are used in boilers and other equipment, the equipment may become radioactive due to the precipitation of radioactive materials in boiler scale and the natural concentration of the solids in the boiler. This might hamper repairs or cleaning and cause a more serious loss under a use and occupancy coverage than would normally occur, the report stated.

Will Build at Manhattan

Farm Bureau Mutual has decided to erect a new home office building near Manhattan, Kan., on a six-acre tract outside of any possible flood area at a cost estimated at \$450,000, rather than move to Topeka as had been contemplated. The 2-story structure will also house Kansas Farm Bureau and Kansas Farm Life.

Travelers Group Elects Cavanaugh New President

Richard F. Cavanaugh, Illinois Traveling Men's Health, was elected president of International Federation of Commercial Travelers Insurance Organizations at the annual meeting at Poland Spring, Me.

Currie C. Chase, Iowa State Traveling Men's, is vice-president, and John W. Whittemore, Eastern Commercial Travelers, was named secretary-treasurer.

Principal topics of discussion were acquisition costs, claims, and changes in present day underwriting. Dr. F. M. Miller of Utica, N. Y., gave a paper on "Lower Back Strain and Its Relation to Congenital Conditions."

Executive committee members elected



J. W. Whittemore

are: T. C. Abele, Travelers Protective, chairman; A. W. Franklin, United Commercial Travelers; R. E. Pratt, Travelers Health; Edward Trevett, Commercial Travelers Mutual Accident; Frederick A. Nichols, Connecticut Commercial Travelers Mutual; Paul Clement, Minnesota Commercial Men's; Mell W. Hobart, Ministers Life & Casualty Union; Robert A. Cavanaugh, Illinois Commercial Men's, and Loring Elliott, Physicians Health.

John W. Whittemore, the new secretary-treasurer, succeeds his late father in that post. Mr. Whittemore joined Eastern Commercial Travelers in 1935 in charge of New York claims. In 1937 he went to the head office at Boston in charge of the claim department and 10 years later he was elected a director. In 1949 he was elevated to chairman.

Cleared of Discrimination Charge

Travelers has been cleared of charges that it exercised racial discrimination in refusing a personnel job to a Negro applicant by a panel of the Connecticut civil rights commission.

It is believed that there is little possibility that the state will appeal the panel decision, based on the conviction that Travelers exercised "good faith" in its choice for the job.



ONE OF 142 Quality Checks

An important reason for freedom from bubbles in finished safety glass is the application of an even temperature and pressure when the glass-and-plastic sandwich is laminated.

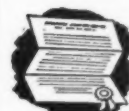
That's why our Quality Control No. 106 (see instrument panel at left, above) calls for a careful check of the exact time-length, temperature range and pressure employed in the autoclave. That's where we apply an evenly-distributed hydraulic pressure to the sheets that form the finished sandwich, later to become Libbey-Owens-Ford Safety Plate Glass.

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2. Better light stability
3. Better strength for safety
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SAFETY  PLATE

Self-Insurers Are Alerted on Issue of Consortium

The California Self-Insurers Assn. has sent out a bulletin suggesting that members confer with insurance brokers or attorneys to ascertain if they have proper insurance in case the wife of a worker sues for loss of consortium due to personal injuries sustained by the husband. The association suggests members get good advice in connection with primary insurance for any civil liability outside the workmen's compensation statute and with respect to adequate provision under any excess or catastrophe coverage they may have or want.

The bulletin notes that controversies are arising in various jurisdictions on this point. In *Hitafer vs. Argonne Co.*, the U. S. court of appeals in the District of Columbia held that the wife had right of action where the employer's negligence existed despite exclusive and comprehensive provisions of the U. S. longshoremen and the harbor workers' act.

Other Cases in Point

The opinion also notes the recent New Jersey case of *Danek vs. Hommer*. That case held for the defendant. A similar case is pending in the Santa Barbara county, Cal., superior court, *Robert J. Oliva vs. Pacific States Savings & Loan*. A demurrer is to be argued in that case Sept. 9.

The bulletin notes that the particular wording of the workmen's compensation statute and constitutional provisions on which it is based in each jurisdiction will govern. The National Council on Compensation Insurance has advised its member companies that this liability is covered under the standard policy and not under the comprehensive liability agreements.

It appears that with respect to the longshoremen and harbor workers' act, the wife does have independent right of action. Decisions under state laws are yet inconclusive. The bulletin notes that a national claimants' attorneys association at its convention recently in San Francisco alerted its membership to the opportunity present for such civil actions in the states on the basis of the *Hitafer* decision.

U. S. Chamber Activities

WASHINGTON — Insurance executives will hold a series of meetings at New York beginning Sept. 12, when the Hemispheric Insurance Conference committee assembles at the Governor Clinton hotel to consider plans for the conference's meeting next year, probably in the U. S.

John Diemand, North America, is chairman, and A. L. Kirkpatrick, U. S. Chamber of Commerce insurance department manager, secretary.

Sept. 13, at the Waldorf-Astoria, there will be a joint session of the chamber's insurance and natural resources committees to consider whether it is practicable to develop a private forest fire insurance program that in the 1920's was deemed impracticable. Forest industries' representatives — timber, lumber, pulp, paper, etc. — will attend the meeting, which will try to ascertain what demand there is for private coverage of timber properties, what fire protection facilities are, etc.

On the 14th, also at the Waldorf, the chamber's joint medical care subcommittee of its insurance and social security committees will review the present social security situation and future prospects with respect to medical care, hospitalization, accident and health — not old-age and survivors insurance or unemployment.

A. D. Marshall, General Electric, is subcommittee chairman. Its other members include: Howard E. Critchfield, Travelers; Henry D. Locke, Liberty Mutual; John H. Miller, Monarch Life;

V. J. Skutt, Mutual Benefit Health & Accident. Social security committee members serving on the joint subcommittee include Clinton L. Allen, Aetna Fire; R. A. Hohaus, Metropolitan Life; H. Ladd Plumley, State Mutual Life.

Illinois Approves Modified A. & H. Catastrophe Policy

The Illinois department has approved Equitable Society's new catastrophe A. & H. plan after it had been modified for sale in Illinois by defining more clearly the application of the deductible in certain cases.

The Illinois policy contains a liberalization of Equitable's standard form so that it states that where only a single maximum benefit is allowable for several confinements due to the same cause or to related causes only a single deductible will be applied.

According to Equitable, it is the company's intention to pay claims on that basis under its standard wording. The Illinois wording merely spells out the intent more specifically.

Director Day of the Illinois department has made it clear that the department did not hold up approval of the policy because of any opposition to the idea of catastrophe A. & H. coverage but solely to obtain clarification of the treatment to be accorded illnesses from the same or related causes.

Auto Death Rate Rise Is Checked in July

The traffic death toll for July was no greater than the record for July, 1950, according to National Safety Council. This was an agreeable surprise since the trend has been consistently upward and there was an increase of 18% in June. The July toll was 3,150 and for the seven months the total is 19,470, which is an increase of 7% over the parallel period of 1950.

The mileage for the first seven months is estimated as being 8% ahead, which is virtually the same as the death increase and hence, the rate of deaths per 100 million miles remains at 6.8.

Accident Board Men and Self Insurers Meet Soon

International Assn. of Industrial Accident Boards & Commissions will hold its convention at Detroit Sept. 30-Oct. 4. At the same time National Council of State Self-Insurers Assns. will meet there. Headquarters of the National Council will be in the suite of Walter Linn, secretary-treasurer of that council at the Book-Cadillac Hotel.

Company Seeks License

Allied Employers of Los Angeles has applied for licenses to write automobile, workmen's compensation, liability and common carrier liability. It has \$150,000 capital and \$150,000 surplus. John Flynn, former deputy attorney general, is attorney for the company.

Map New Haven Setup

The Ohio Farm Bureau insurance companies will open at New Haven, Conn., Oct. 23, the first of from 14 to 18 regional offices planned in connection with a decentralization program.

Initially, the New Haven setup, which will handle Connecticut, Rhode Island, and Vermont, will employ about 150.

At first only automobile business will be handled at New Haven. Fire and life are to come later.

New Utah Assigned Risk Status

The Utah assigned risk plan, which heretofore has operated as a voluntary project, obtained a legal status Sept. 1 when Utah's new safety responsibility law became effective. The new law provides that the plan will henceforth be approved by the Utah commissioner, which has been done, and will include all insurance companies writing B.I.-

P.D. automobile policies in Utah. Several insurers have, in the past, chosen not to participate in the plan, but under the new law their participation is compulsory.

C. T. Vance will continue as manager.

Snow Named "Insurance Man of Year" in Oregon

The first award to Oregon's "insurance man of the year," presented by Oregon Assn. of Insurance Agents at its recent convention at Baker, was made to Abby Joy Snow, manager of Oregon Insurance Rating Bureau. A plaque is to be retained by the recipient and the winners' names will be inscribed each year on a master plaque in the association office at Portland. At last year's convention, Arthur M. Eppstein, president of Oregon Automobile, donated \$1,000 to the association to use in any manner it saw fit. It was decided to establish a permanent "insurance man of the year" award. Mr. Eppstein made the presentation at the Baker meeting.

Mr. Snow joined Pacific Board of Fire Underwriters at Salt Lake City in 1924, and went to the Oregon bureau in 1936 as assistant manager, becoming associate manager in 1945 and manager in 1949. He was with Fire Insurance Rating Organization of New Jersey in schedule testing for a time in 1947, followed by scheduled development work in New York in connection with Insurance Executives Assn. He has been largely responsible for developing the latest schedules now in use in Oregon.

Early this year he spent a month in Hawaii in connection with rating and legislative problems in order to supply the Hawaiian legislature information required in its inquiry into the fire insurance business.

W. W. Grove, Coast Loss Veteran, Is Retiring

D. W. Grove, who has been in the insurance field for 53 years, is retiring from the Pacific Coast department of General Adjustment Bureau.

For 22 years he was in the field and had executive positions with Hartford Fire and Continental. He was an independent adjuster for 12 years and joined G.A.B. in 1931. He has adjusted some of the larger and more complicated losses on the coast.

Burgener Nominated for President of Utah Agents

Arnold E. Burgener, Transportation Insurance Agency, Salt Lake City, has been nominated for election as president of Utah Assn. of Insurance Agents at its 32nd annual meeting Sept. 17-18 at Salt Lake City. Other nominees are: Fred C. Kidgell, Jr., Logan, vice-president; L. A. North, Ed D. Smith & Sons, Salt Lake City, secretary, and Ralph D. Callister, Bradley-Callister agency, Salt Lake City, state national director.

The program for the opening session includes the review of the year by J. Edwin Stein, Provo, retiring president, and addresses by John Henry Martin, manager Standard Forms Bureau, San Francisco; Frank C. Colridge, general manager of Pacific Board, and Perry H. Taft, manager Pacific Coast office Assn. of Casualty & Surety Companies.

The anniversary luncheon that day will be sponsored by Inland Empire Casualty of Idaho. William F. Edwards, dean of commerce of Brigham Young University, Provo, will speak on "Ultimate Consequences of This Nation's Financial Policies."

The business meeting that afternoon will be for members only, followed by a cocktail party sponsored by United Pacific and the banquet, with installation of new officers, remarks by Governor Lee of Utah, and a talk by Ernest R. Rosse, Philadelphia humorist.

Speakers Tuesday morning, Sept. 18, will be Ernie Cragin, Las Vegas, former president of Nevada Assn. of Insurance Agents; Ralph D. Callister, chairman

Far West Agents Conference, and Percy P. Lynch, secretary Great American, Pacific department, San Francisco. There will be time out for tomato juice in mid-morning, compliments of Home.

John Henry Martin will speak at the past presidents' luncheon.

Afternoon speakers include Commissioner Terry, J. F. Van Vechten, Akron, O., vice-president of N.A.I.A.; Stuart C. Tait, Tait Appraisal Co., Los Angeles, and Marland K. Strasser, Assn. of Casualty & Surety Companies, San Francisco.

Good Gains Shown in Insurance Stocks

(CONTINUED FROM PAGE 31)

stantial worsening of capital and surplus position as contrasted with year end. That capital and surplus could take the severe underwriting losses of the first half with relative equanimity is probably due to the release of excess reserves in earlier and more profitable years plus the rising stock market. Even if a company has only 10% of its assets in commons, this may amount to 30% of surplus and a boost here is of real help. Furthermore, unlike other booming stock markets, the best performers have been the "best names," such as Standard Oil of New Jersey, Du Pont, etc., which the insurance companies own in abundance.

At the end of last year of 20 large casualty companies surveyed, the average policyholders surplus was 126% of the unearned premium reserve. However, if three predominantly fidelity and surety companies are eliminated, together with another company whose unearned premium reserve is low because of a monthly premium plan, then for the 16 "regular" casualty companies the ratio is 106%. Capital and surplus, in other words, exceeded unearned premium reserve by 6%. Of these 16 companies 7 or more than 40% were already below the "even-Stephen" line and their capital and surplus was less than their unearned premium reserve. In one instance policyholders' surplus was 41% less than unearned premium reserve, in others 30%, 26%, 14%, 14%, 11% and 4%.

No one can say what the danger point is for ultimately the profitability of underwriting is the governing factor. There would seem to be no reason why capital and surplus could not be only 25% of unearned premium reserve (although admittedly the margin would be narrow) if the business on the books was certain to be profitable. Capital is essential to do business and to fulfill statutory requirements; surplus is the cushion. How redundant the cushion must be depends squarely upon profitability of underwriting.

Hence in the last analysis the problem comes back to the insurance commissioners. If they wish to avoid a hornet's nest of disgruntled policyholders, agents and brokers who are unable to find a market or of stockholders faced with substantial pecuniary loss, they must be realistic on insurance rates, physical damage, workmen's compensation, automobile—all lines.

The casualty companies urgently need profitable lines and wider margins than the statistics may imply due to the inevitable ravages of inflation. A crisis is looming on the horizon. It is a question of more realistic rates—"or else."

Auto Dealers Repudiate Letter

Ohio Automobile Dealers Assn. has repudiated a letter sent to its members by an insurance agency at Toledo, in which was enclosed an insurance plan worked out by the agency. The association says it has "never considered or discussed the merits or demerits of the plan," nor is the agency authorized to use the name of the automobile dealers association in the solicitation of business.

Edward P. Lyon of the Wichita office of Kansas Inspection Bureau, and Mrs. Lyon are the parents of a second son.

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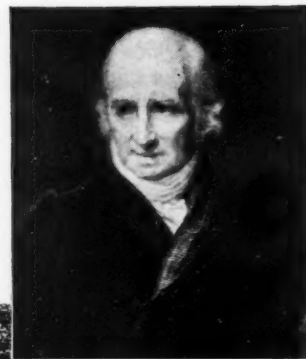
*"In academic shades
The artist's fame shall last."*

On the campus of Swarthmore College stands the house where Benjamin West was born in 1738. Now owned by the college, it commemorates the first American artist to achieve international renown.

Despite the rigors of the Pennsylvania frontier where West spent his boyhood, his talent found expression. When only six years old he made a remarkably lifelike picture of his sister's baby asleep in her cradle. From friendly Indians who saw his efforts he learned how to prepare red and yellow pigments and he made a paint brush by clipping hair from the family cat and binding it to a quill. Before he was out of his teens he was earning money as a portrait painter.

At the age of twenty-two West went to Italy where as an artist from a supposedly savage country he caused a sensation. Three years later he established himself in London and never returned to America.

Before leaving this country West had paid court to Elizabeth Shewell but her wealthy brother looked with disfavor on the struggling young artist. After West settled in London he wrote Elizabeth asking her to come over and marry him but the brother discovered the letter and locked Elizabeth in her room. However, three of West's friends, one of whom



was Benjamin Franklin, assisted the young lady to escape by means of a rope ladder and drove her to a ship which weighed anchor a few minutes later. On board was West's father who escorted her to the bridegroom.

West, one of the founders of the Royal Academy, became president after Joshua Reynolds' death; he was appointed historical painter to King George III and was offered knighthood but declined the honor.

In his painting "The Death of Wolfe" he revolutionized art by depicting the characters in costumes of the proper period rather than in classical garb as had been customary. As teacher and counselor of many of his compatriots, including John Copley, Gilbert Stuart, Charles Willson Peale and John Trumbull, he exerted great influence on American art.

West's sleeping niece served as an early model



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